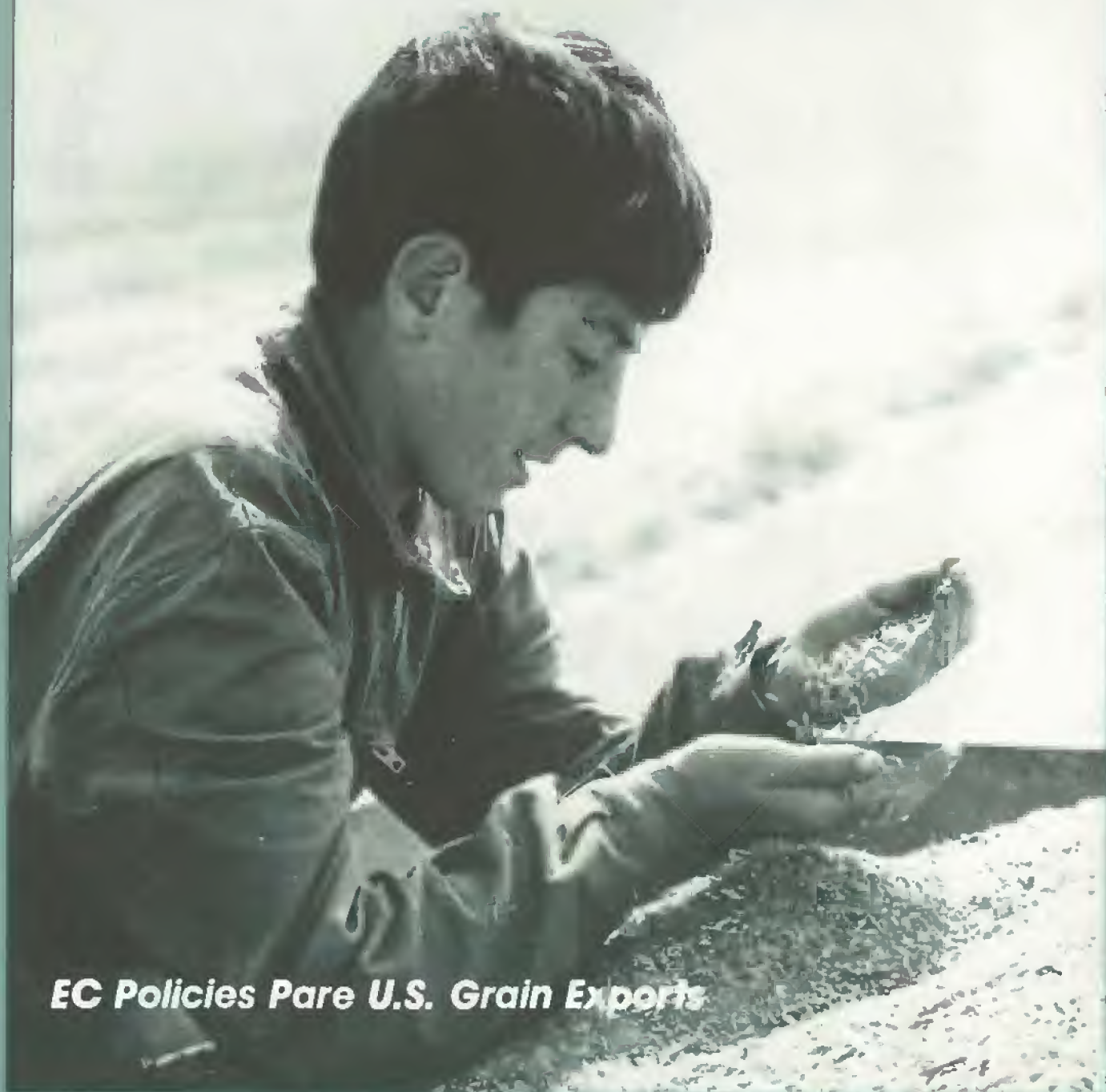


# AGRICULTURAL OUTLOOK

July 1985

Economic Research Service  
United States Department of Agriculture



***EC Policies Pare U.S. Grain Exports***

# AGRICULTURAL OUTLOOK

July 1985/AO-110



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**Economics Editor**—W. Keith Searce

**Assistant Economics Editor**—Herb Moses (202) 447-8378

**Managing Editor**—Patricia F. Singer (202) 382-9757

**Editorial Staff**—Shirley Hammond

**Statistical Coordinator**—Ann Duncan (202) 447-8378

**Production Staff**—Erma McCray; Brenda Powell; Joyce Bailey; Joan Bazemore

### For more information, contact:

Commodity Highlights—Allen O. Johnson (202) 447-8376

Farm Income—Jim Johnson and Gary Lucier (202) 447-2317

Food Prices—Ralph Parlett (202) 447-8801

General Economy—Dave Torgerson (202) 447-7383

Marketing Costs—Denis Dunham (202) 447-8801

Transportation—T. Q. Hutchinson (202) 447-8666

World Agriculture and Trade—Gerald Rector (202) 447-8912; Tom Warden (202) 447-4863; and Steve MacDonald (202) 447-8841

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## In Brief. . . News of '85 Farm Income, Exports, Produce Shipping

The outlook for the U.S. farm economy remains weak. With crop production expected to rise, prices are likely to remain well below last year, leaving total crop cash receipts near those in 1984. Livestock receipts will likely fall in 1985 as prices average below last year.

Gross cash income is projected to decline. However, the drop will be cushioned somewhat by expected lower production expenses. Nevertheless, nominal net cash income is forecast to fall to \$34 to \$39 billion, from last year's preliminary estimate of \$37 to \$40 billion.

Net farm income, a measure of the income generated by a given year's output, is forecast at \$20 to \$25 billion for 1985, following the \$33 to \$36 billion estimated for 1984. Deflated net farm income should range between \$9 and \$11 billion (\$1972), compared with \$14 to \$16 billion estimated for last year. Much of the decline is attributed to the drop anticipated for livestock receipts and inventories.

U.S. farm product exports in fiscal 1985 are now projected at \$33.5 billion, 12 percent below 1984. Volume is forecast at 137 million tons, down 5 percent. Increased production in both importing and exporting countries this year is providing formidable competition for U.S. grain and oilseed exports. New competitors include China and India.



Beef production in the second half may not decline enough to raise prices much above a year earlier. Dressed weights for federally inspected cattle slaughter averaged 658 pounds during April, 1 pound under the March 1981 record. Experience suggests that these heavier weights will affect production for several months.

Hog prices rose \$3 per cwt between mid-May and mid-June. Even with the higher prices and relatively low feed costs, especially for soybean meal, farrow-to-finish operators in the Corn Belt are below breakeven.

Prices for whole broilers, including branded and without giblets, averaged 52 cents per pound in May, down from 58 last year but up from 48 in April. Larger supplies this year have lowered prices.

Although this year's winter wheat crop was planted on the smallest area in 6 years, it is just under 1.9 billion bushels. Favorable winter and spring moisture in the Plains wheat region, plus widening use of high-yielding varieties, may result in yields above 39 bushels an acre.

Current projections put the 1985 corn crop at 7.9 billion bushels. Added to carryover, the crop would push supplies next season to just over 9 billion bushels. Feed prices will probably remain below 1983/84 highs into 1986.

Truck rates for lettuce and citrus/vegetables from California during the first 4 months of 1985 averaged 6 to 7 percent below the same period last year. However, rates for most fresh produce are expected to rise during June-August, the peak harvest months.

The European Community produced a huge wheat and coarse grain crop in 1985. The resulting supplies will make the EC for the first time a net exporter of coarse grains, a condition that has existed for wheat as far back as 1974. The EC's grain pricing policies, combined with technological advances, are responsible for the Community's long-term growth in export potential. EC policies have a double impact on U.S. grain exports; not only are U.S. grains displaced from the EC market, but they also face direct competition in non-EC markets from subsidized EC grains.



## Agricultural Economy

Farmers have nearly completed seeding 1985 crops. Spring came early in the Corn Belt and farmers were able to get their crops planted without major weather delays. Adequate moisture conditions prevailed in most areas. Thus, this year's corn will likely reach the critical pollination stage before the summer heat sets in, and the danger of major field losses from an early frost next fall appears small. Actual yields will not be known for many weeks, but early-season conditions point to high yields.

### Acreage Probably Down...

Most likely, fewer acres were planted this year than last. Some farmers had difficulty obtaining credit to get spring field work completed and to buy seed, fertilizers, and agricultural chemicals. However, the primary reasons for reduced plantings are high participation in Government programs designed to prop up crop prices by limiting acreage, and adverse weather in Soft Red Winter wheat areas.

Plantings of most major field crops were probably down. Corn, barley, sorghum, and oats, though, may have shown increases. Sorghum seems to be replacing soybeans as a rotation crop

with wheat in the Southeast because it is more resistant to drought and disease. Actual 1985 planting statistics will be released July 10.

### ...But Harvest May Be Big Again

Less acreage does not necessarily mean smaller harvests this fall. In fact, continued average or better weather will likely produce big crops again in 1985. Last year's harvests exceeded anticipated use.

Domestic use of grains and oilseeds in 1984/85 is expanding a little as livestock feeding picks up and demand for food and industrial use edges higher. Exports, however, are declining. As a result, when the 1985 harvest begins, it will add to already large stocks of grains, oilseeds, and cotton. Since prospects for a dramatic turnaround in use are slim, a further buildup in crop supplies and stocks is probable during 1985/86. Crop prices will likely remain near the loan rate and do little to alleviate farmers' financial stress.

However, plentiful supplies of low-cost feed benefit livestock and poultry producers. Feed is the largest variable cost in raising hogs, chickens, and fed cattle. Nevertheless, this past winter and early spring, feed costs were not low enough to offset declines in cattle and hog prices. As a result, fewer cattle were placed on feed and pork producers are still cutting breeding herds.

### Meat Output Has Been High

Meat production early this year rose more than 1 percent above 1984's big output. Adding to domestic supplies were continued sizable imports of live hogs and pork from Canada and pork from the EC. Beef supplies were augmented by large slaughter of beef cows and by marketings of heavyweight fed cattle. Dairy cow slaughter declined when the 15-month dairy program ended. Pork production in winter-quarter 1985 was off about 3 percent. Broiler output was up about 5 percent, more than offsetting volume declines in beef and pork. Large total meat production, along with only small growth in consumer incomes, weakened livestock and poultry prices.

Meat production this summer likely will run about the same as last, but by next fall declines in beef and pork will outweigh continued gains in poultry. Smaller meat supplies should help to support stronger livestock prices. Fed cattle and hog prices are expected to increase in the second half of 1985 and by yearend average a little above fall 1984. Fed steer prices will likely average below 1984. The increase in livestock prices, along with continued low feed costs, will encourage meat producers to step up future output. Because of the biological time lag, however, meat supplies likely will not expand until well into 1986.

### Lower Prices Hurt Farmers' Receipts

Lower crop and livestock prices this year will hold down farmers' cash receipts. Production expenses are also being held in check, reflecting fewer acres planted and only a small increase in prices of nonfarm inputs. As a group, farm-origin inputs will be down a little this year, with higher feeder cattle prices offset by sharply lower feed prices.

The impact of these changes will be to hold net cash income nearly the same as the \$37 to \$40 billion estimated for 1984. Net farm income, which includes the value of the inventory change, is expected to decline to a range of \$20 to \$25 billion. Last year's income, which included a sizable positive inventory adjustment, is estimated at \$33 to \$36 billion, the highest since 1979.

Weak farm prices and low inflation mean large supplies of low-cost food for consumers. Prices of eggs and poultry will average below the unusually high retail prices in 1984, when disease and weather problems held output of these items in check for part of the year. Fruit will lead the list of foods rising in price. The index of retail prices of all foods is forecast to go up 2 to 4 percent this year—about the same as in other recent years and once again less than the general rise in prices of all goods and services. [Donald Seaborg (202) 447-8376]



# Prime Indicators of the Agricultural Economy

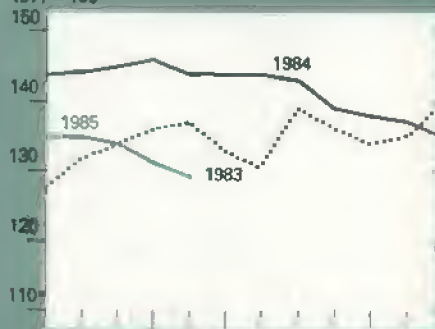
Prices paid by farmers<sup>1</sup>

1977 = 100



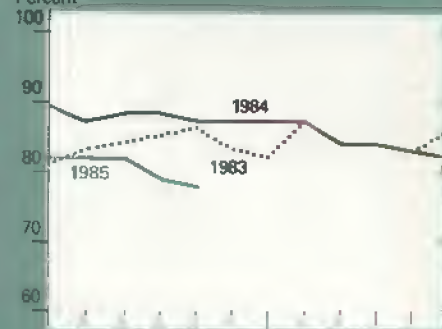
Prices received by farmers<sup>2</sup>

1977 = 100



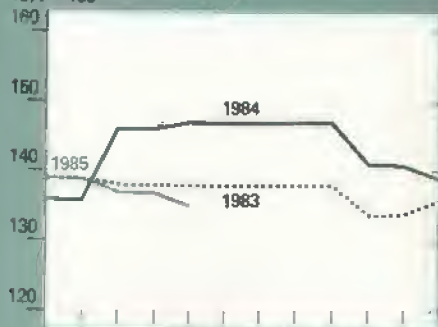
Ratio of prices received to prices paid

Percent



Fertilizer prices<sup>3</sup>

1977 = 100



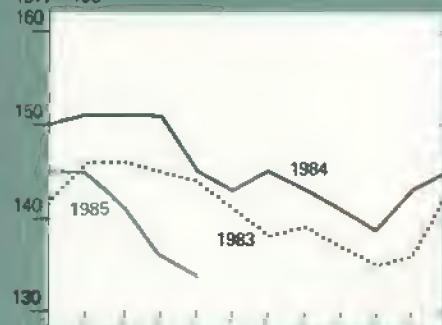
All crops<sup>4</sup>

1977 = 100



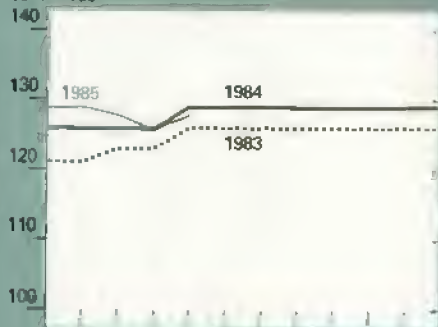
Livestock and products<sup>4</sup>

1977 = 100



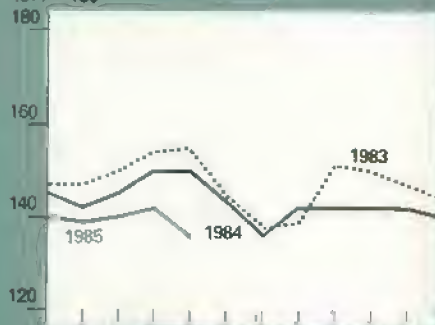
Agricultural chemicals<sup>3</sup>

1977 = 100



Food grains<sup>4</sup>

1977 = 100



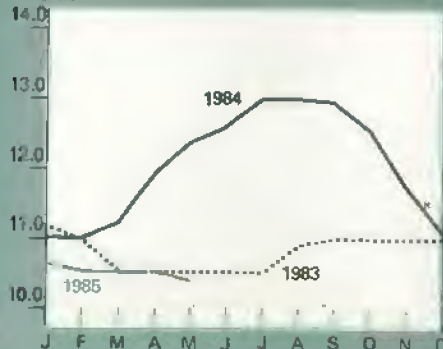
Meat animals<sup>4</sup>

1977 = 100



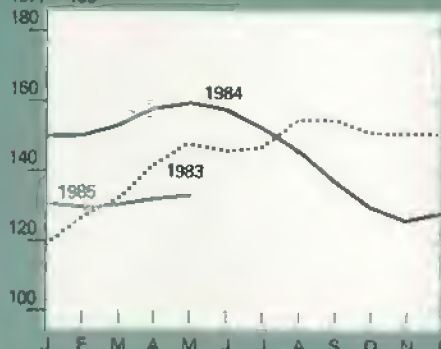
Interest rates—prime rate

Percent



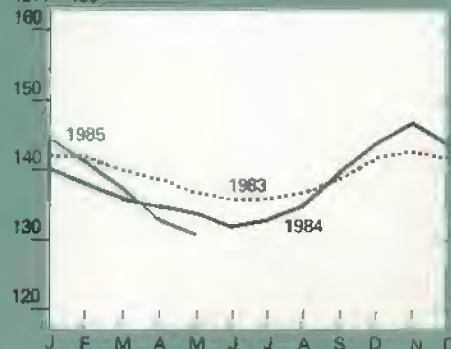
Feed grains and hay<sup>4</sup>

1977 = 100



Dairy products<sup>4</sup>

1977 = 100



<sup>1</sup>For commodities and services, interest, taxes, and wages.

<sup>2</sup>For all farm products.

<sup>3</sup>Index of prices paid; 1977 = 100.

<sup>4</sup>Index of prices received; 1977 = 100.

## LIVESTOCK HIGHLIGHTS

### • Cattle

Beef production in the second half of 1985 may not decline enough to raise prices much above a year earlier. Dressed weights for federally inspected cattle slaughter averaged 658 pounds during April, 1 pound under the March 1981 record. Weights continued to increase during May and will likely equal or exceed the record. Steer weights rose to 724 pounds during April, up 35 from a year earlier, while dressed weights for heifers averaged 644 pounds, up 36. These weights were the highest on record for both steers and heifers. Experience suggests that these heavier weights will affect production for several months.

Beef production during April was 9 percent higher than a year earlier, causing January-April production to be up 2 percent. Federally inspected slaughter for April was 4 percent higher, but this was the result of 1 more slaughter day this year. Adjusting for this additional slaughter day leaves federally inspected slaughter about even with a year earlier.

However, April production was still up about 5 percent, indicating beef output is being driven by the sharply higher slaughter weights. Production during May was likely 2 to 4 percent above a year earlier, for the same reason. Some decline in production is probable in June, so second-quarter production will likely be up about 1 percent. Slaughter days for the quarter are even with a year ago. Commercial dressed weights are likely to average about 650 pounds, which would be a second-quarter record.

Cattle feeders in the 7 major feeding States marketed 5 percent more cattle during April than a year earlier. However, the additional slaughter day during April accounts for about 4 percent more marketings. Therefore, marketings were not adequate to reduce a backlog of finished cattle. Weights during May suggest feeders will need to continue actively marketing cattle to work out the large supplies. April placements were down 6 percent from a year earlier. This left the number of cattle on feed in the 7 States on May 1 at 7.5 million head, up 2 percent from a year earlier.

Omaha Choice steer prices fell to \$55.50 per cwt in mid-May, reflecting the drop in wholesale carcass prices.

Cattle Prices and Dressed Weights\*



\*Omaha Choice steer prices; federally inspected weights.

Prices gained some during the latter half of May, so prices averaged about \$57.50 for the month. However, this was still down sharply from last year's \$65.89. Prices may average only about \$59 for the second quarter. Reduced fed cattle marketings and lower slaughter weights will likely support Choice steer prices in the middle \$60's during the second half.

Retail beef prices may average about \$2.38 per pound during the second quarter, compared with \$2.42 a year earlier and \$2.39 during the first quarter. The farm-to-retail spread remained wide in April and a narrowing of the spread could support higher live animal prices in the second half. Only moderate increases from the first-half average price are likely during the remainder of the year. (John Nalivka (202) 447-8636)

### • Hogs

Hog prices rose \$3 per cwt between mid-May and mid-June. Even with the higher prices and relatively low feed costs, especially for soybean meal, farrow-to-finish producers in the Corn Belt are below breakeven. The number of hogs slaughtered in March, April, and May relative to the March 1 market hog inventory suggests that producers are reducing their herds below year-earlier levels because of poor returns and the need for cash for spring planting. In recent months, imports of live hogs have slowed compared with earlier this year.

Producers continue to market barrows and gilts at heavier weights than last year. Relatively cheap feed and above-average temperatures this spring in the North Central States are causing the heavier market weights. Second-quarter commercial pork production is now projected at 3,625 million pounds, 1 percent below a year ago. The average weight at the 7 markets could be the highest second-quarter figure since 1974's 246 pounds.

The recent rise in hog prices is due largely to the seasonal decline in slaughter. However, barrow and gilt prices at the 7 markets are expected to average \$42 to \$44 per cwt in the second quarter, compared with \$49 a year ago. Third-quarter prices are expected to average \$47 to \$51.

Moderately lower red meat production will tend to strengthen prices, while rising broiler production will weaken them. In addition, prices for pork used in processed meat will be bolstered somewhat by a continued decline in nonfed steer, heifer, and cow slaughter. As of April 30, cold storage stocks of pork totaled 371 million pounds, 5 percent below the near-record levels of a year earlier. These stocks could become burdensome on the market, especially if they continue to build. (Leland Southard (202) 447-8636).

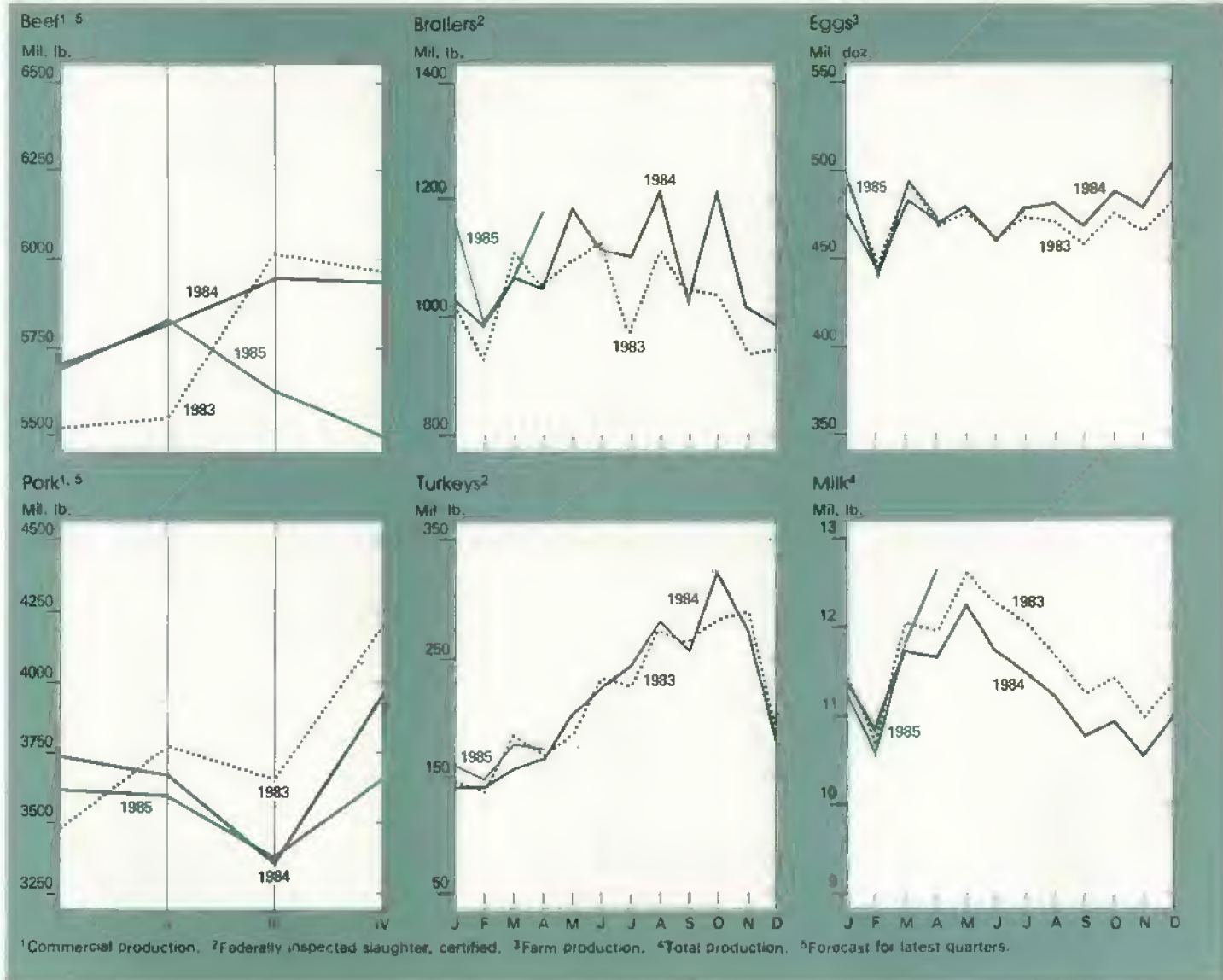
### • Broilers

Prices for whole birds, including branded and without giblets, averaged 52 cents per pound in May, down from 58 cents last year but up from 48 in April. Larger supplies this year are the reason for the lower prices. May prices usually strengthen from April as retailers stock up for Memorial Day cookouts. A similar rise usually occurs in June for the July 4 holiday. Nevertheless, because of the additional production, prices may average 49 to 51 cents in the second quarter, down from 56 last year.

Red meat supplies are expected to decline in the second half and livestock prices may rise, lending support to broiler prices. Broiler prices in the second half may average from the high 40's to low 50's, near last year's 52 cents per pound.

Broiler producers have been expanding in response to favorable returns. Even with lower prices, net returns for integrated producers selling at wholesale were positive through May. Industry sources indicate that the limited number of broiler grow-out houses is





slowing broiler expansion. Integrated producers may have to build their own grow-out houses if farmers are unwilling or unable to build them.

Output of broiler meat from federally inspected plants in first quarter 1985 was 5 percent above 1984's 3,082 million pounds. Based on the number of broiler chicks hatched that could be slaughtered during the second quarter, slaughter numbers may be 5 percent greater than last year. The weight of the birds has been up this year and may average 1 percent greater in the second quarter. Thus, broiler meat output in the second quarter may be up 6 percent from last year.

Production in the second half may be down slightly from the first. Broiler eggs set for second-half slaughter have been below the high levels earlier in the year. As the weather becomes hotter, producers may have to give birds more space in the houses. Thus, fewer birds can be raised per house. Nevertheless, output in the second half may be 5 percent above last year. [Allen Baker (202) 447-8636]

## • Turkeys

Turkey producers are expanding production. The number of poult placed for domestic slaughter has been increasing, but the rate of increase has been erratic; March poult placed were up 1 percent from last year, but April placements were up 7 percent. The

fluctuations suggest an underlying uncertainty about demand for turkey meat in the second half of the year.

Output of turkey meat from federally inspected slaughter plants was up 12 percent in first-quarter 1985 from 1984. The number of poult placed for slaughter in the second quarter suggests that output may be 6 percent above 1984's 589 million pounds. Net returns for vertically integrated turkey producers have been positive and should encourage expansion in second-half 1985. Early indications for the second half suggest producers are planning to expand production by 4 to 6 percent from 1984's 1,552 million pounds.

Stocks of frozen turkey in cold storage on April 1 were 9 percent below a year earlier. On May 1, frozen stocks were above 1984, though, as low prices encouraged stock building. With increased production, stocks are likely to remain above 1984 through fall.

During May 1985, prices of commodity packed 8- to 16-pound hen turkeys in the Eastern Region averaged 63 cents per pound, down from 67 last year. Prices in the second quarter may average 62 to 64 cents, down from 67 last year. With turkey production and stocks expected to increase, prices during the second half may average 64 to 68 cents, down from 81 last year. [Allen Baker (202) 447-8636]

#### • Eggs

Continued large supplies and seasonally weak demand for eggs caused prices to decline from April to May, leaving producers in a price-cost squeeze. Feed costs have dropped from last year, but prices have fallen even further, resulting in negative returns to producers.

The poor returns have prompted producers to lower costs by selling their least productive hens. During April, the number of layers on farms was 1 percent below last year, reflecting the continuing sale of older hens. However, the culling has boosted the average number of eggs laid per hen by 2 percent. The net result was 1 percent more eggs produced in April this year than last.

On May 1, the number of layers was down 1 percent and the rate of lay was up 1 percent, indicating that May production was likely almost the same as last year. Egg production during second-quarter 1985 probably totaled 1 percent over 1984's 1,408 million dozen. Producers have not ordered as many replacement pullets to go in the laying flocks during second-half 1985 as last year; this suggests that supplies may move more in line with demand. Thus, second-half egg production may be 1 percent below the 2,896 million eggs produced in second-half 1984.

Prices for cartoned Grade A large eggs in New York averaged 56 cents per dozen in May, down from 76 a year earlier. Prices are expected to average 55 to 57 cents in the second quarter, down from 83 last year.

Producers increase egg supplies to meet greater needs for the start of

school and holiday baking. When replacement pullets are not available to increase the laying flocks, producers may molt older layers rather than selling them in the second and third quarter. Supplies decline temporarily as the hens are molted but extra supplies are then available when needed. With supplies off from last year, prices may increase in the third quarter and average 66 to 70 cents per dozen, near last year. Prices may strengthen seasonally again in the fourth quarter to average 68 to 72 cents, up from 67 last year. [Allen Baker (202) 447-8636]

#### • Dairy

The average number of milk cows on farms during May was 10.984 million head, up 183,000 since January and 179,000 above a year earlier. For all of 1985, the average number of milk cows is expected to be about 0.5 percent larger than last year. Some additional growth in the herd is likely through this summer, but a drop is expected during the fall if milk prices decline.

Output per cow has risen. In May it was 2.8 percent above a year earlier. For all of this year, output per cow will likely be 2 to 2.5 percent larger than 1984's 12,495 pounds. Milk production during calendar 1985 is expected to be 2 to 3 percent greater than the 135.4 billion pounds produced last year.

Prices received by U.S. farmers for all milk during May averaged \$12.70 per cwt, 30 cents below the same month in 1984. In both 1983 and 1984, the all milk price declined 60 cents per cwt from January to May. This year, the drop was \$1.30. The decline resulted from the reduction in the support level on April 1 and large supplies of milk and dairy products.

Since February, USDA net removals (delivery basis) under the price support program have increased sharply from year-earlier levels. On a milkfat basis, total purchases during March-May were 4.3 billion pounds, up 33.4 percent from the same period in 1984. For calendar 1985, net removals are projected to be 20 to 40 percent greater than the 8.6 billion pounds purchased in 1984.

Preliminary data for first-quarter 1985 indicate commercial disappearance of all milk and dairy products (milkfat basis) was up 0.6 percent, following a gain of 3.5 percent for all of 1984. Total sales for this year are expected to be unchanged to 2 percent higher. [Cliff Carman (202) 447-8636]

## CROP HIGHLIGHTS

### • Wheat

Although this year's winter wheat crop was planted on the smallest area in 6 years, it is just under 1.9 billion bushels. Favorable winter and spring moisture in the Plains wheat belt, plus widening use of high-yielding varieties, helped to maintain yields near 39 bushels an acre.

Current crop conditions indicate that output of Durum and other spring wheat will be up from last year. In total, 1985's wheat production is forecast at 2.44 billion bushels, 6 percent under 1984. The smaller 1985 crop, coupled with little change in old-crop stocks, indicates the 1985/86 wheat supply may be down for the first time in seven years—4 percent under the last year's record 4 billion bushels.

However, offsetting this supply outlook is the prospect that demand for U.S. wheat will likely decline, for several reasons:

- Record use of wheat for livestock and poultry feed in 1984/85 probably will not be repeated; increased supplies of corn and sorghum will favor feed grain use.
- The United States will continue to face some of the factors that have hurt exports for the past 3 years—large supplies and aggressive marketing policies by foreign exporting nations, another record world wheat harvest, and a high-valued dollar.
- Crop prospects this year in the Soviet Union are improved.

Estimated U.S. export volume, at 1.2 billion bushels, will be down 16 percent from a year ago, surpassing the record decline in 1982/83. As a result, yearend stocks on May 31, 1986, may rise to an alltime high 1.6 billion bushels. Under these conditions, the average farm price may fall below 1984/85's \$3.38 a bushel, within a range of \$3.20 to \$3.40.

The June forecast for 1985/86 world wheat production is 517 million tons, up 3 million from last year. Good weather in most of the major wheat-producing regions of the Northern Hemisphere points to another year of bountiful supplies, higher stocks, and lower prices. Besides the Soviet Union, Canada and China expect major increases in output. However, decreases are likely from last year's record harvests in Western and Eastern Europe.



As the 1984/85 (July/June) trade year comes to a close, the major exporters are anticipating a highly competitive summer. The United States has announced a new plan to boost commercial exports through the use of CCC-owned commodities as bonuses. Under the bonus program, \$2 billion of CCC-owned commodities will be available to U.S. exporters during the next 3 years to expand U.S. sales to specially targeted markets.

The first offer, announced on June 4, will involve up to 1 million tons (including the CCC bonus) of non-Durum wheat sold to Algeria. Since 1979/80, the U.S. share of the Algerian wheat market has fallen from 41 percent to 16, while the EC's share has risen from 29 percent to 59. If U.S. exporters succeed in selling 1 million tons to Algeria in 1985/86, the U.S. market share there will rise to more than 30 percent.

The June forecast for total 1985/86 U.S. wheat exports is 32.7 million tons. Although U.S. exports to Algeria will likely rise because of sales under the Export Enhancement Program, the level of additional exports from the proposed Algerian sale and any other initiatives for wheat remain uncertain.

Global wheat trade for 1984/85 is estimated at 105.6 million tons. Canada's exports in the spring were larger than anticipated and have driven its total up by 1.8 million tons to 19.0 million. Because of recent shipments from Canada, the Soviet import forecast was raised 1 million tons to 27 million.

U.S. exports averaged over 4 million tons per month during July-December 1984, but have since slipped to about 2 million tons per month. The major reasons for the slowdown include the lack of purchases by the USSR and China, strong price competition from Argentina and the EC, and the cancellation of the blended credit program. The June estimate for 1984/85 U.S. exports of wheat and products is 38.0 million tons. [Allen Schienbein (202) 447-8444 and Scott Reynolds (202) 447-8879]

#### ● Rice

In spite of the largest rice acreage reduction program since PIK, supplies are still expected to be excessive when the 1985 rice season begins.

The 1984/85 crop year has been uneventful and disappointing. With plenty of rice available in the world market, U.S. exports continue to slide. By the end of May, sales of milled rice totaled approximately 1.5 million tons, compared with 1.7 million a year earlier.

Poor export performance means, among other things, a return to the burdensome stocks that precipitated the PIK program. Carryover on July 31, 1985, is currently forecast at 64 million cwt, and could climb higher if the export sales pace remains sluggish. Thus, even a substantially reduced 1985 rice crop of 125 million cwt will mean an increase in supplies to more than 190 million cwt for the coming season.

The current outlook for disappearance in 1985/86 is grim, with use expected to fall from this year's estimated 121 million cwt to 119 million. The probable result: stocks building in excess of 70 million cwt and farm prices in a range of \$7.80 to \$8.80 a cwt.

World milled rice production in 1984/85 is estimated at 318 million tons (467 million, rough basis), an increase of 11 million from 1983/84. The poor dry-season crop in Thailand has led to a downward revision in the Thai production estimate to 12.0 million. The forecast for 1985 Thai exports was raised to 4.4 million tons in June because of continued strong exports in May. Burma's production forecast was raised recently to 9.3 million tons on the basis of increased acreage and improved yields.

Although Burma, Pakistan, and the United States have ample supplies for export, lower prices and the aggressive pursuit of new markets have given Thailand the edge thus far in 1985. The import forecast for the Philippines was increased 200,000 tons to 500,000. The Philippine Government purchased rice from Thailand and China to alleviate shortages before the upcoming harvest in September. Overall, the world trade outlook has not changed significantly in recent months; the United States is expected to export 2.0 million tons out of a 1985 world trade total of 11.6 million. [Barbara Stucker (202) 447-8444 and Scott Reynolds (202) 447-8879]

#### ● Feed Grains

Current projections place the 1985 U.S. corn crop at 7.9 billion bushels. Added to carryover from 1984/85, the

crop would push total supplies next season to just over 9 billion bushels. Domestic use may increase modestly, but without a repeat of this year's heavy buying by the USSR, exports are expected to decline. Carryout for 1985/86 is therefore likely to climb above 1.9 billion bushels, 27 percent of expected use. This volume is expected to hold corn prices near the loan rate, or in a range of \$2.50 to \$2.70 per bushel.

Feed costs continue well below the highs set in 1983/84 and prospects for 1985 and 1986 are for lower prices to continue. Grain consuming animal units (GCAU's) for 1984/85 are up around 360,000 from last year to 78.6 million. GCAU's from cattle on feed increased by 1.3 million, more than offsetting a decline of about 760,000 from hogs. Current indicators suggest GCAU's will slip slightly in 1985/86, largely because of a reduced number of steers and heifers for feedlot placements.

The latest *Grain Stocks* report implies corn disappearance was 4.4 billion bushels during the first half of the marketing year. However, annual use is expected to remain well below the 1982/83 record. Total carryin for 1984/85 was 723 million bushels, the smallest since 1976, and free stocks, at 97 million bushels, were the tightest since 1937. The total corn supply for 1984/85 is 8.38 billion bushels.

Corn feed and residual disappearance during October-December was nearly 1.7 billion bushels, the greatest quarterly total on record. However, corn stocks on April 1 were estimated at almost 4 billion bushels, implying more moderate feed disappearance during January-March. For the 1984/85 marketing year, feed and residual disappearance is expected to be 4.2 billion bushels.

Despite strong movement early in the marketing year, corn exports may total only 1.95 billion bushels this season. Most of the strength is coming from heavy Soviet buying, which accounted for about 40 percent of total export sales and shipments through April. Although the export total forecast represents the first increase in 3 years, it is still 20 percent below the 1979/80 record.

Food, seed, and industrial use of corn is forecast to increase by close to 80

million bushels in 1984/85. About 40 million bushels will be used for stepped-up high fructose corn syrup production and another 40 million for increased fuel alcohol output. At least 40 million bushels of oats are used in cereal and snack products, but less than 5 million bushels of barley and sorghum are processed as food.

Feed grain disappearance for 1984/85 is forecast at 223 million tons, about the same as two seasons ago. Large Soviet purchases have boosted exports to 58.3 million tons, while feed and residual disappearance is expected to rise about 13 percent from the depressed level of 1983/84. Plentiful supplies and low prices have increased feeding rates of most grains.

Food, seed, and industrial use of all feed grains will rise by about 7 percent over last year, reflecting strong demand for processed grain products such as corn syrup and ethanol. Even with higher disappearance in domestic and export uses, though, abundant supplies are leading to an increased marketing year carryout of about 45.5 million tons. Free stocks carryout will almost triple last season's, rising from 6.4 to 18.5 million tons.

Global coarse grain production in 1985/86 is forecast to increase to 816 million tons, up about 13 million from a year earlier and up 131 million from 1983/84. So far, no major production shortfalls are projected among major coarse grain producers, although production for some (notably Eastern Europe and the EC) is forecast to decline from 1984/85. However, European output will likely be above average. In addition, Canadian, Soviet, and South African crops are expected to rebound. Thus, foreign production is expected to be up about 6 million tons, reaching a record 572 million.

Beginning coarse grain stocks in 1985/86, although well below the record 139 million tons in 1983/84, are large enough to force prices down again when coupled with record global production. However, this price decline, and apparently diminished stocks of feed-quality wheat, will not be strong enough to boost global import demand.

By far the biggest shift in production and trade in 1985/86 is taking place in the Soviet Union. Not since the record year of 1978/79 has USSR production

been considered "above average." This year, however, adequate soil moisture, limited winterkill, and generally favorable weather have aided Soviet winter grains. There are improved prospects for spring grains throughout European USSR and Kazakhstan. As a result, Soviet coarse grain imports, which will account for almost 27 percent of estimated global trade in 1984/85, are forecast to decline to 18 percent of the coming season's trade.

China's production for 1985/86 is forecast at 93 million tons, only 2 million short of this year's record outturn. In 1984/85, China is expected to be a net exporter of coarse grains—by about 5 million tons. China's sales next season are not likely to be as high, but trade relationships with traditional U.S. customers such as Japan, South Korea, and the Soviet Union will continue.

Global exports of coarse grain for 1985/86, excluding intra-EC trade, are forecast at over 94 million tons, down 9 million from 1984/85, and about 1 million below the average of 1981/82-1984/85. The record for coarse grain trade took place in 1980/81, when about 108 million tons were traded.

Among importing countries other than the USSR, 1985/86 trade is forecast at over 77 million tons, an increase of about 2 million from a year earlier. Japanese imports are forecast strong at 21.5 million tons. For Western Europe, next season's import demand for feed grains should be much like this season's.

Major foreign exporters of coarse grains in 1985/86 are forecast to sell about 25 million tons, showing little change in aggregate since 1982/83. Canadian exports are expected to be up from 1984/85 because of barley production increases. Australian sales will likely fall somewhat, but they should remain high nonetheless. (David Hull (202) 447-8776 and James Cole (202) 447-8857)

#### • Oilseeds

Soybean planting is proceeding exceptionally well; in the 19 States that produced 94 percent of the 1984 crop, plantings were about 75 percent complete by the end of May. This compares with 50 percent a year ago and a 55-percent average. Planting conditions in the Southeast, once verging on drought, have improved with rain.

During this part of the year, U.S. soybean prices are increasingly affected by weather. Also important is South

American harvesting activity. Current prices reflect the good start of the U.S. growing season and recent upward revisions in estimates of the Brazilian crop. Soybean prices (Central Illinois), after falling to \$5.60 a bushel by June 3, showed some strength as the month progressed. Prices averaged \$5.76 a bushel in May, after holding near \$5.90 in March and April.

Prospects are for larger supplies next year, with production expected to rise to 1,925 million bushels. September 1 carryover could total 275 million.

Lower prices alone are unlikely to prompt a rebound in soybean exports because of record world oilseed production and the continued strength of the dollar. Exports in 1984/85 are expected to total only 660 million bushels, down 80 million from 1982/83. Soybean meal exports, forecast at 4.1 million tons, would be the lowest since 1976/77. Soybean meal prices continue their slide, falling to \$108.00 a ton by June 3, and averaging \$112 a ton in May, down from \$118 in April.

Soybean oil remains the bulwark of the market. Exports have been robust through the early part of the year, but availability could limit the final 1984/85 total to 1,650 million pounds, a 3-year low. Soybean oil prices topped 30 cents a pound in March, rose a bit through April, and slipped to 32.35 in May. The slight decline reflects increased South American supplies and the effects of prior rationing at home. The prospect of a good 1985 soybean crop, along with larger supplies of competing oils and fats, could drop oil prices in coming months.

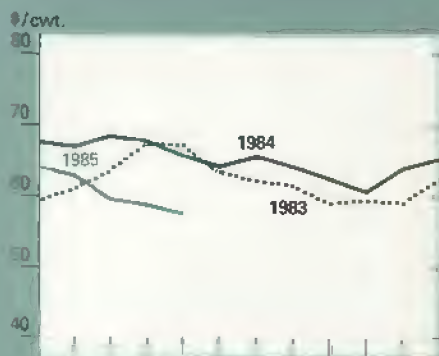
World oilseed production in 1985/86 is forecast to decline slightly because yields are expected to be below last year's record for many crops. China, the world's largest cottonseed producer, has announced it will procure less cotton from farmers in 1985/86. That in turn is expected to lower cotton planted area and cottonseed production. However, less cottonseed could be offset somewhat by expanding rapeseed output in China. China announced it will purchase all rapeseed produced by its farmers in 1985/86. Generally, foreign oilseed yields could return to more normal levels following 1984/85's record yields.

U.S. soybean trade in 1985/86 may rise slightly. Gains in import demand in the EC may increase because of a

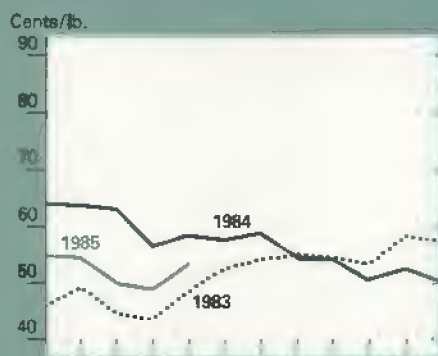


# Commodity Market Prices: Monthly Update

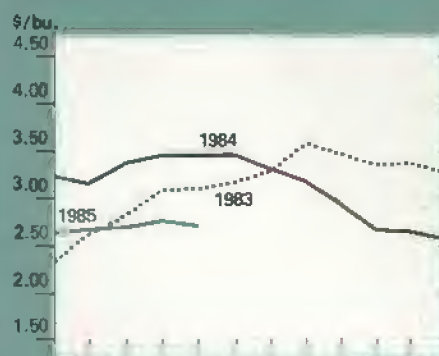
Choice steers<sup>1</sup>



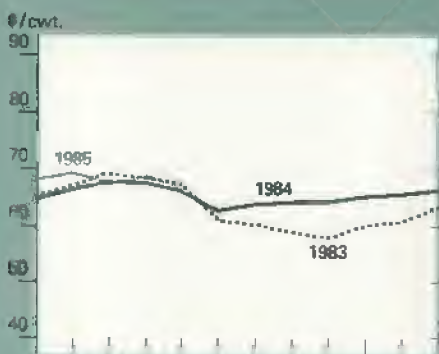
Broilers<sup>4</sup>



Corn<sup>6</sup>



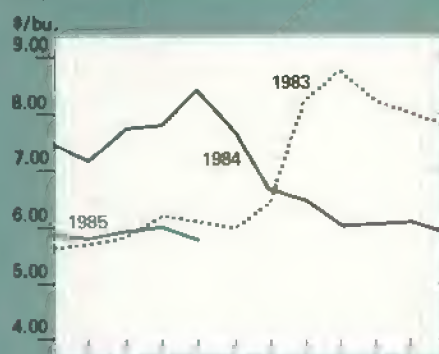
Choice feeder cattle<sup>2</sup>



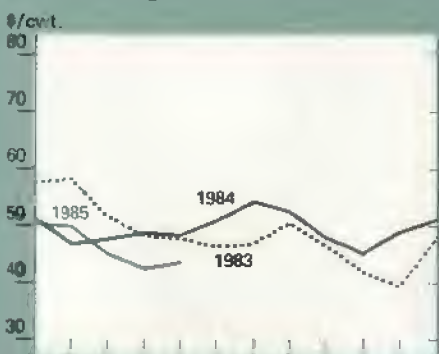
Eggs<sup>5</sup>



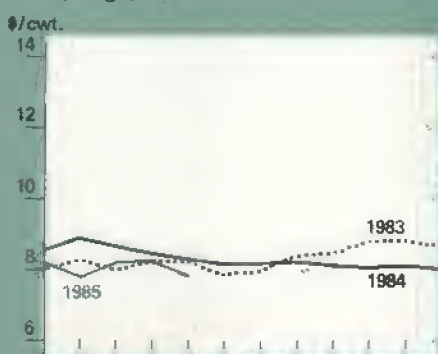
Soybeans<sup>7</sup>



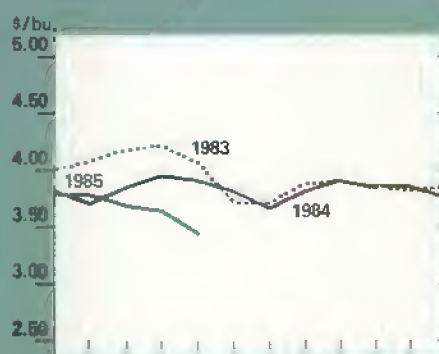
Barrows and gilts<sup>3</sup>



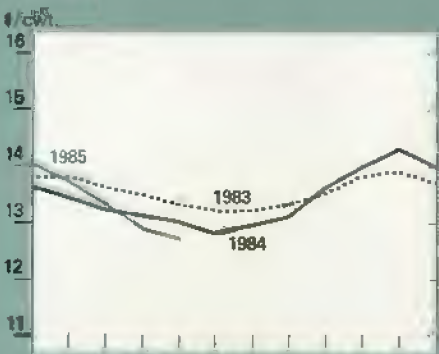
Rice (rough)



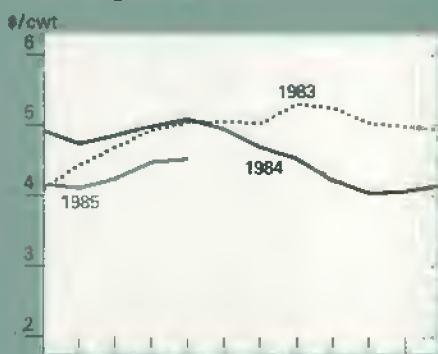
Wheat<sup>8</sup>



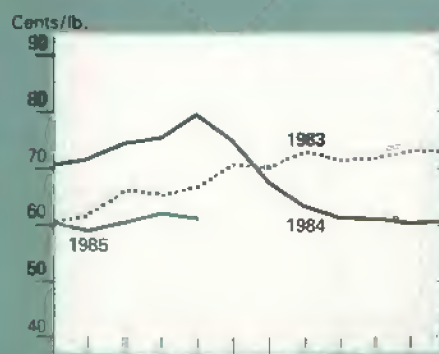
All milk



Sorghum grain



Cotton<sup>9</sup>



<sup>1</sup> Omaha. <sup>2</sup> 600-700 lbs., Kansas City. <sup>3</sup> 7 markets.

<sup>4</sup> Wholesale, New York. <sup>5</sup> Grade A Large, New York.

<sup>6</sup> No. 2 Yellow, Chicago. <sup>7</sup> No. 1 Yellow, Chicago.

<sup>8</sup> No. 1 HRW, Kansas City.

<sup>9</sup> Average spot market, SLM 1-15."

favorable soybean meal-to-corn price ratio. Also, continued economic growth in some other countries, such as Japan and Korea, may increase soybean demand next year.

The major concern in the trade picture for the 1985/86 crop year is the wide difference between soybean meal and soybean oil demand. While continued strength in the U.S. and foreign soybean oil markets may keep vegetable oil prices relatively high, continued weak foreign demand for soybean meal could limit crushing. However, world oil prices may be weaker relative to U.S. soybean oil prices, further distorting the normal price relationships between the U.S. and foreign prices.

In May 1985, U.S. wholesale prices for soybean oil were \$64 per ton above the Rotterdam price, a sharp contrast to the \$57 positive margin of the Rotterdam to the U.S. price in May 1984. One factor affecting the world oil situation is palm oil. Palm oil production is increasing in 1985 and another gain is expected in 1986. This gain may weaken world oil prices while U.S. prices remain strong.

The current pace of U.S. exports has been slow, while South American exporters are moving soybeans and products at an improved clip. U.S. 1984/85 soybean exports are likely to total 18.0 million tons, down 2.2 million from a year earlier. [Roger Hoskin (202) 447-8776 and Jan Lipson (202) 447-8855]

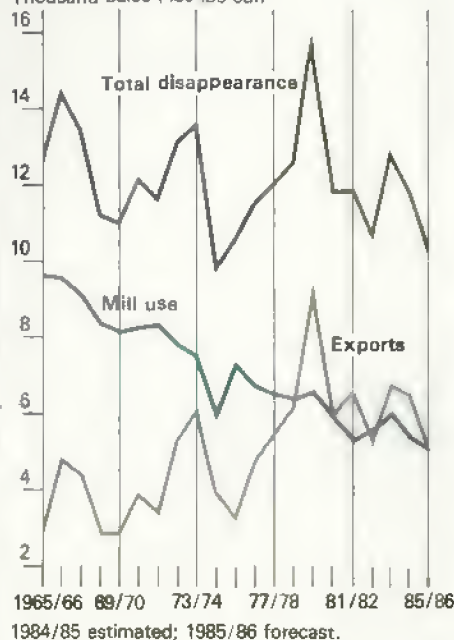
#### • Cotton

Cotton planting as of June 9 was 93 percent complete; the average for that date is 90 percent. Crop progress in May and early June allayed any lingering fears of drought, and new-crop futures contracts now rest on the loan rate. Farm prices during January-May averaged just 53 cents a pound—about 4 cents below the 57.3-cent loan rate.

Total disappearance of U.S. cotton trended down from 1965/66 through 1984/85, and disappearance during 1985/86 is forecast to be the second lowest this century. Meanwhile, the 81-cent cotton target price, low competing-crop prices, and expectations of a better future are holding cotton land in production while yields trend upward. Consequently, stocks are projected to rise above 6 million bales by the end of the next crop year.

#### U.S. Cotton Disappearance

Thousand bales (480 lbs ea.)



Total disappearance of U.S. cotton declined during the last 2 decades. However, during 1966/67-1983/84, U.S. exports rose an average of 200,000 bales a year. Exports during 1984/85, estimated at 6.5 million bales, will be only about 400,000 below the trend-line projection. The rise in U.S. exports during the 1960's and 1970's was caused by the lowering of U.S. prices, devaluation of the dollar, the development of East Asian textile industries that use U.S. cotton, and world economic growth averaging 4-5 percent.

During the 1980's, the loan rate for cotton of base quality rose to a minimum of 55 cents a pound. In addition, the appreciation of the dollar caused prices received in local currencies by competing producers to exceed U.S. farm prices. Finally, the fastest growth in textile exports began to occur in cotton-rich countries such as India, Pakistan, and China, while traditional major markets for U.S. raw cotton exports started having to compete with even lower-wage textile exporters. The culmination of these problems will be U.S. exports of only about 5 million bales during 1985/86.

U.S. mill use is trending lower because of competition with manmade fibers and imported textiles. Cotton's share of the retail apparel market rose to 40 percent in 1984, compared with 35 percent in 1983. However, textile imports accounted for 37 percent of U.S. cotton consumption in 1984, compared with

24 percent in 1980. Consequently, even though cotton's market share is rising, U.S. mill use is falling and may amount to only 5 million bales during 1985/86.

Foreign raw cotton supplies are expected to surpass disappearance in 1985/86 for the third consecutive year. This surplus should add 1.5 million bales to foreign ending stocks, most of it in China. During 1980/81, foreign demand exceeded supply by 1.4 million bales. Five years later, foreign supplies (beginning stocks plus production) may exceed demand by 15 million bales. The current situation is due to China's phenomenal advances in output. Without China, foreign disappearance would have been greater than foreign supply every year except one since 1978/79.

Foreign mill use may continue its small steady gains in 1985/86. Growth of about 2 percent is anticipated as consumption remains above the two-decade trend. Slower economic growth may serve to limit expansion, while low prices, fashion trends, and credit guarantees could stimulate cotton use.

Foreign exports of cotton are projected to increase sharply during 1985/86 to 15.7 million bales, up almost 10 percent. Abundant exportable supplies at depressed prices will lead to the highest foreign exports in 10 years. The U.S. share of short and medium staple cotton exports will decline because of their relatively high prices.

The record 17-million-bale gain in world cotton production during 1984/85 resulted in an enormous excess supply. Gains in trade and mill use were dwarfed by the expansion in raw cotton supplies. Therefore, ending stocks rose almost 60 percent.

The 1984 cotton crop of 84.9 million bales was attained through record yields and the highest harvested acreage in more than 30 years. A shift in production by staple length also occurred. Foreign production outside China shows little deviation in long staple production (1-1/8 to 1-5/16 inch), while an upward trend in U.S. long staple production has occurred.

World mill use this season is expanding 1.2 million bales, with a 1.8-million-bale gain in the foreign sector. Consumption in China has risen by



500,000 bales. the largest single-country increase. Foreign consumption outside China will grow 1.3 million bales because of rising incomes, expansion of non-Chinese foreign supplies, and population growth.

Foreign exports are up 13 percent from 1983/84, on the strength of advances made by Brazil, China, and Pakistan. Low carryin stocks, increased demand for natural fibers in many developed countries, and economic vitality are some reasons for the increase. [Terry Townsend (202) 447-8444 and Richard Cantor (202) 447-8054]

#### • Tobacco

Disappearance of U.S. tobacco is estimated to increase about 4 percent this season, mainly because of larger exports. Still, use will fall short of 1984/85 marketings, so stocks carried over to the new marketing year (beginning July 1 for flue-cured and October 1 for burley and other kinds) will likely rise about 2 percent from last year's 3.8 billion pounds.

Disappearance of flue-cured tobacco in 1984/85 may be up 4 or 5 percent from last season's 894 million pounds because of larger exports. Disappearance will likely exceed 1984 marketings so July 1 stocks could drop. Marketings in 1985/86 are expected to fall short of use and further drop flue-cured supplies.

Burley use this season may rise from last year's 501 million pounds. Both domestic use and exports are expected to climb. Nevertheless, use is below marketings, so October 1 stocks will likely rise from last year's 1.34 billion pounds. Growers are expected to produce and market less burley in 1985/86, but marketings may again exceed use, boosting already large stocks.

Use of Maryland tobacco may rise this season. Exports are up substantially, but domestic use may fall. The 1984 crop of Maryland tobacco (type 32), which was about 4 percent larger than in 1983, sold for an average of \$1.32 a pound, 25 cents above a year earlier. Auction sales in Maryland began March 19 and ended May 9.

Prices at Maryland markets averaged \$1.40 a pound, 35 cents above a year earlier but 13 cents below 1982. The higher quality of the 1984 crop, together with stronger export demand, pushed up prices. However, prices

failed to reach 1982 levels because large supplies of light air-cured cigarette tobacco were available.

Use of fire-cured tobacco may drop from last year. Domestic use may rise, but exports are off sharply. Supplies for next season are expected to be somewhat larger. Use of dark air-cured tobacco may not change much, but stocks on October 1 will be larger than a year earlier because of the bigger 1984 crop.

Use of cigar tobacco may decline slightly, but the crop is expected to fall short of use. Cigar filler use may change little, while binder may fall and wrapper may increase. [Verner N. Grise (202) 447-8776]

#### • Peanuts

Peanut carryout on July 31 is expected to be 1.3 billion pounds, because crush is expected to be lower than earlier anticipated. These record stocks caused contract prices offered for additional peanuts this spring to plummet to around \$300 a ton, more than \$100 below last spring.

Many producers signed price-later contracts. Others signed contracts at around \$300 but are not planting acreage for additional. Instead, they are planting quota levels and hoping that favorable growing conditions will produce over-quota peanuts that they can use to fill their additional contracts. Contracts for additional peanuts had to be signed by April 15. [Duane Hacklander (202) 447-8776]

#### • Fruit

Supplies of fresh summer fruit available to consumers will be moderately smaller than last year. If June 1 forecasts are realized, this summer's production of early harvested noncitrus fruit (excluding dried prunes) will be almost 15 percent below last season. The winter freeze and spring frosts in the Southeast and Northwest were responsible. These smaller summer fruit crops, combined with seasonally reduced supplies of apples and citrus, are expected to keep fruit prices high this summer.

Total U.S. peach production is forecast at 2.16 billion pounds, 18 percent below 1984. The freestone peach crop is expected to be 1.14 billion pounds, down 29 percent from 1984. The nine Southern States are expected to harvest 369 million pounds, 25 percent less than 1984. Smaller crops were reported for all Southern States except Texas. However, larger peach crops

are expected from some important late States (New Jersey, Michigan, and Oregon).

Because of the smaller crop, peach shipments through late May were running considerably behind last year's pace. Consequently, f.o.b. prices at shipping points are well above last year's levels. Opening f.o.b. prices were quoted at \$15 for a 3/4-bushel carton (various yellow flesh varieties), compared with \$8 a year ago. Prices will probably fall as the season progresses, but prices for fresh peaches from the Southern States are expected to average above 1984.

California's plum production is forecast at 180,000 tons, 20 percent below last year's record crop, but still 14 percent above 1983. Early varieties had a light set, but midseason and late varieties had a good set. Only a few fresh plums have been shipped since mid-May, and opening f.o.b. prices were quoted at \$14 for Red Beauty plums in 28-pound cartons, compared with \$16 a year ago. However, with the smaller crop and reduced supplies of summer fruit, prices are expected to average above last season's low of \$216 a ton.

The 1985 Bartlett pear production in California, Oregon, and Washington is forecast at 392,000 tons, down 12 percent from 1984 and 15 percent from 1983. California expects to harvest 250,000 tons, 17 percent less than last year. Because of the April freeze, Washington's crop may total only 77,000 tons, down 14 percent from 1984. In contrast, the Oregon's production forecast, 65,000 tons, is up 48 percent. Despite the April freeze, crop condition is good.

As usual, most of the Bartlett pears will be used for canning. Because of the smaller crop and depleted carryover stocks of canned pears, prices may climb well above last year's high level of \$184 a ton.

The first forecast of the 1985 apricot crop is 139,000 tons, 9 percent more than last year. California, the leading State, should produce 135,000 tons, 10 percent above 1984. A small quantity of the California crop was harvested in late May for the fresh market. As usual, though, most of the crop will be processed. With substantially larger carryover stocks of canned apricots, grower prices are likely to average below last year's \$303 a ton. Utah is expecting a crop of 1,100 tons, up 38

percent from a year ago, but the Washington crop suffered considerable damage from the spring freeze.

The first forecast of California's nectarine crop is a record 200,000 tons, 9 percent above 1984. The increase is due to slightly higher yields and greater bearing acreage. As of June 1, harvest of early varieties was running 5 percent ahead of a year earlier. There were no f.o.b. prices reported. However, with reduced supplies of competing fruits, grower prices are not likely to average much lower than last year. (Ben Huang (202) 447-7290)

#### •Vegetables

Fresh market vegetables from East Coast areas are plentiful after beneficial rains late this spring. However, spring frosts damaged some vegetables in the Pacific Northwest, particularly peas, beans, and early potatoes.

First-half May grower prices for fresh vegetables fell drastically, pulling the average index down to 110 (1977=100). The preliminary May index is 7 percent below April and 6 percent below May 1984. The drop stems from seasonal increases in supplies of fresh vegetables and the harvest of acreage replanted following January's freeze.

Overlapping harvests boosted spring 1985 tomato production 9 percent over 1984. As a result, Florida's shipments of tomatoes during April and May were about 11 percent over last season. The increased demand for transportation services in Florida resulted in a transportation shortage, which reportedly caused a 27-percent increase in the April retail price for tomatoes. Grower prices fell from a high of \$58.20 per cwt in March to \$33.20 in April.

January-to-May shipments of fresh vegetables, excluding potatoes and sweetpotatoes, rose 1 percent from last season. Large supplies in May compensated for shortages in April, especially for cauliflower, onions, and watermelons. Potato shipments for this period also fell, dropping 6 percent.

Estimates place spring potato production at 24.2 million cwt, up 2 percent from last year, but yield prospects are down 3 percent following dry weather in North Carolina. California harvest is in full swing and fall planting is 30 percent complete. Although hail damaged the Texas Rio Grande Valley harvest in late May, potatoes there are

now making good progress. Florida's harvest is basically complete. Florida yields dropped below last year, though quality is good. Grower prices this spring for potatoes are down 13 percent, because of increased 1985 production.

Texas spring onion production is estimated at 3.23 million cwt, 4 percent below last year. Cool, wet weather delayed the harvest and reduced yields. Onion prices received by growers fell 67 percent from April 1984 to \$8.28 a cwt, the lowest since early 1983. Prices have recovered 65 percent since April 1985 yet remain 2 percent below last April's price.

The 1984 pack of frozen vegetables rose 12 percent from 1983, and the pack of frozen potato products rose 5 percent. April 30 stocks of frozen green peas amounted to 132.6 million pounds—29 percent over April 1984—and boosted total stocks 2 percent over a year earlier. Frozen potato stocks began May at 27 percent above a year earlier. The April CPI for frozen vegetables rose to 160 (1977=100), but ample stocks should hold price increases to 2 to 5 percent over second-half 1984. (Shannon Reid Hamm (202) 447-7290)

#### •Sugar

On May 17, the President eased quotas on certain sugar-containing products, pending investigation by the U.S. International Trade Commission. The action allows imports of such items as dry mixes with less than 10 percent sugar, articles other than dry mixes in retail packages, cake decorations with less than 65 percent sugar, coconut meat and juice containing less than 65 percent sugar, and minced seafood preparations containing less than 20 percent sugar.

World stocks of sugar at the end of the 1984/85 crop year are estimated to be 43.5 million metric tons, raw value. This amounts to 45.4 percent of world consumption, 50 percent above normal requirements. World prices for raw sugar (f.o.b. Caribbean, Contract No. 11) have fallen to the lowest point since 1968. Prices averaged 2.77 cents a pound in May, down 18 percent from April and 50 percent lower from a year earlier.

The U.S. price for raw sugar (N.Y. Contract No. 12) was 21.09 cents in May, up 1 percent from April but down 4 percent from a year earlier. The domestic raw sugar price has been below the market stabilization price of 21.57 for the last 8 months.

The Coffee, Sugar, & Cocoa Exchange, Inc., stopped reporting the U.S. spot price for raw sugar at the end of May. The reporting system, which began in 1979, had been criticized by some segments of the trade.

During the first 4 months of 1985, retail prices for sugar averaged 35.8 cents a pound, a 2-percent decline from a year earlier. Retail prices should be steady over the next several months as sugar supplies remain large.

Retail prices for sugar-containing products have risen slightly in 1985. The CPI's for seven cereal and bakery items containing sugar were 4.6 percent higher in the first 4 months of 1985 than for a year earlier. The CPI's for seven miscellaneous sugar-containing products in January-April averaged 3.0 percent above a year earlier. Price changes ranged from a decrease of 1.4 percent for other carbonated soft drinks to an increase of 5.3 percent for fresh cakes and cupcakes.

On May 31, the Great Western Sugar Company (GW) forfeited 51.8 million pounds of refined sugar held as collateral on loans from the Commodity Credit Corporation (CCC). GW has notified CCC that it also intends to forfeit the 165.1 million pounds held as collateral on loans due June 30. An additional 56.7 million pounds is held on loans due July 31. The sugar held on the loans due June 30 and July 31 may still be sold. There is no requirement that a loan must be forfeited, even after intent-to-forfeit notice has been given.

CCC took possession of GW's forfeited sugar on June 1. CCC can sell the sugar, but at no less than 105 percent of the loan rate plus any carrying charges resulting from storage and sale.

Seven of GW's 13 plants have been sold since the company filed for bankruptcy in March. The remaining plants will not operate this year, but contracted acreage is high enough at the seven sold plants that overall U.S. beet sugar production should equal last season's 2.9 million tons, raw value.

In first-quarter 1985, shipments of HFCS totaled 1.1 million tons, dry basis. This is a 22-percent increase over shipments for first-quarter 1984. Another 3.9 million tons of HFCS will probably be sold by the end of the year. (Dave Harvey (202) 447-8666)





## Farm Income Update

The outlook for the U.S. farm economy remains weak. With crop production expected to rise, prices are likely to remain well below last year, leaving total crop cash receipts near those in 1984. Livestock receipts will likely fall in 1985 as prices average below last year, especially for poultry and dairy products.

Despite the end of PIK disbursements, total direct Government payments could approach 1984 levels. Cash payments could rise dramatically, partially because of the advances on deficiency payments for 1985 crops. Gross cash income is expected to decline and nominal net cash income is forecast to fall to \$34-\$39 billion. However, the drop in gross cash income will be cushioned somewhat by expected lower production expenses.

Nevertheless, smaller net cash income could cause further difficulties for many farmers who are already financially troubled. In real terms (\$1972), net cash income is forecast to fall to between \$15 and \$17 billion; the figure expected for 1984 is \$16 to \$18 billion.

### **Lower Livestock Inventories and Receipts Reduce Net Farm Income**

Net farm income, a measure of the income generated by a given year's output, is forecast at \$20 to \$25 billion for 1985, following the preliminary estimate of \$33 to \$36 billion for 1984. Deflated net farm income should range between \$9 and \$11 billion (\$1972),

compared with the preliminary \$14 to \$16 billion estimated for last year. Much of the decline in net farm income is attributed to an anticipated drop in livestock receipts and inventories. The decline in inventories will likely be due in part to continued cattle herd liquidations brought about by the current financial situation.

While farm-generated incomes are likely to decline, off-farm income should rise somewhat for the third consecutive year, as some farm families rely more on alternative sources of income. This situation is particularly characteristic of farms with annual sales of less than \$40,000.

### **More CCC Loans Likely**

Total cash receipts are expected to be even to 3 percent lower in 1985. Last year's are estimated to have increased 1 to 3 percent.

Crop receipts in 1985 are forecast to rise slightly, as greater marketings offset lower commodity prices.<sup>1</sup> Lower crop prices this fall, however, may lead to wider use of CCC loans, which could account for \$3 to \$6 billion (4 to 7 percent) of total crop receipts. In 1983 and 1984, loan repayments exceeded new loans, leaving net CCC loan values at minus \$0.8 billion and minus \$0.7 billion, respectively. If export volume continues to decline while production remains strong, this year's net CCC loan activity could rival that in 1982, when over \$9 billion in commodity loans were placed.

### **Food Grain Receipts Slipping, But Feed Grain Receipts Up**

Cash receipts for food grains are expected to decline, as both wheat and rice prices fall in 1985. In addition, slightly lower production of both food grains is expected to trim marketing volumes.

Cash receipts for feed grains and hay will likely gain more than a tenth as corn receipts rise about a fourth, powered by increased marketing volume and CCC loans. The substantial expansion expected in marketings will be the result of strong 1984 and

1985 production and will outweigh sharply lower prices. Receipts for other feed grains, except sorghum, are expected to slip somewhat.

Oil crop receipts are forecast to drop around a tenth in 1985, with both soybean and peanut receipts losing ground. A significant slide in soybean prices will likely offset slightly higher marketing volume.

Cotton receipts are expected to rise about a tenth, as higher marketings and net CCC loans offset expected lower prices. Such an increase in cotton receipts would reverse 2 consecutive years of decline. As export volume declines, net CCC loans will become an important source of cash for cotton producers.

### **Receipts Higher for Vegetables, Lower for Fruit & Nuts**

Tobacco receipts are likely to go down, mainly because of falling sales volume. Lower prices and declining production will probably leave fruit and nut receipts short of the 1984 level. Total vegetable receipts are forecast to remain near 1984, partly because potato and dry bean receipts are expected to move down due to lower prices and production. Most other vegetable receipts are likely to gain in 1985, as production and prices rise slightly.

Lower expected livestock prices will likely cut livestock cash receipts 1 to 5 percent in 1985. Cattle receipts should fall a bit as marketing volume declines somewhat. Hog receipts are forecast to decline slightly, while calf receipts should gain somewhat and lamb receipts will remain near the 1984 estimate.

A sharp drop in poultry and egg prices should offset expanded production, leaving receipts a tenth lower than the 1984 level. Receipts for broilers, turkeys, eggs, and other poultry are all likely to decline, with egg receipts showing the greatest drop, especially during the first half.

Dairy cash receipts are forecast to remain at or just below the 1984 projection. This could mark the second consecutive year of decline in dairy receipts. With the end of the dairy diversion program, marketings are expected to increase in 1985. However, the higher marketings are likely to be offset by lower prices caused in part by reduced price supports for milk.

<sup>1</sup>The 1984 and 1985 forecasts for crop receipts exclude sales of forest products. The revised historical receipts released this summer will also exclude them. They will be included with other cash farm income to be consistent with the Bureau of the Census definition of a farm. Forest product receipts totaled about \$1.1 billion in 1984.

# Farm Income and Cash Flow

Item	1981	1982	1983	1984F	1985F
Billion dollars					
<b>Farm income sources</b>					
1. Cash receipts.....	142.6	144.8	138.7	140-142	137-141
Crops 1/.....	73.3	74.6	69.5	68-70	67-71
Livestock.....	69.2	70.1	69.2	72-74	68-72
Cash Government payments.....	1.9	3.5	4.1	3-5	5-9
Value of PIK commodities.....	0.0	0.0	5.2	3-5	0
2. Direct Government payments..	1.9	3.5	9.3	7-9	5-9
3. Other cash income 2/.....	1.9	2.0	1.5	2-4	2-4
4. Gross cash income (1+2+3) 3/	146.4	150.2	149.6	152-154	147-152
5. Nonmoney income 4/.....	13.6	14.2	13.6	12-14	11-13
6. Realized gross income (4+5)	160.0	164.4	163.2	165-167	159-164
7. Value of inventory change.....	7.9	-2.6	-11.7	7-9	-3 to 1
8. Total gross income (6+7)....	167.9	161.8	151.4	173-175	158-163
<b>Production expenses</b>					
9. Cash expenses 5/ 6/.....	111.4	113.4	109.5	113-115	111-115
10. Total expenses.....	136.9	139.5	135.3	138-140	136-140
<b>Income statement</b>					
Net cash income: 1/ 6/					
11. Nominal (4-9).....	35.0	36.8	40.1	37-40	34-39
Deflated (1972\$) 7/.....	17.7	17.8	18.6	16-18	15-17
Net farm income: 1/					
12. Nominal total net (8-10)....	31.0	22.3	16.1	33-36	20-25
Total net (1972\$) 7/.....	15.4	10.8	7.5	14-16	9-11
Total net (1967\$) 8/.....	11.0	7.7	5.4	10-12	6-8
13. Off-farm income.....	39.8	39.4	41.0	39-43	41-45
<b>Other sources and uses of funds</b>					
14. Change in loans outstanding 6/	15.5	6.8	2.9	-3 to -1	-2 to 2
Real estate.....	9.3	3.7	2.1	-2 to 0	-3 to 1
Non-real estate 9/.....	6.2	3.1	0.8	-2 to 0	-1 to 3
15. Rental income.....	5.7	5.6	4.3	4-6	4-6
16. Gross cash flow (11+14+15)...	56.1	49.3	47.3	40-44	39-44
17. Capital expenditures 6/.....	16.8	13.6	13.1	12-14	11-15
18. Net cash flow 1/ 6/ (16-17)...	39.3	35.6	34.2	28-32	26-31

1/ Includes net CCC loans. The 1984 and 1985 forecasts exclude forest products. 2/ Income from custom work, machine hire, and farm recreational activities. The 1984 and 1985 forecasts include forest product sales. 3/ Numbers in parentheses indicate the combination of items required to calculate a given total. 4/ Value of home consumption of farm products and imputed rental value of farm dwellings. 5/ Excludes depreciation and perquisites to hired labor. 6/ Excludes farm dwellings. 7/ Deflated by the GNP implicit price deflator. 8/ Deflated by the CPI-U. 9/ Excludes CCC loans. F = forecast.

## Prices Paid May Drop For First Time Since 1955

Prices paid by farmers are forecast to be unchanged to slightly lower in 1985, following the expected rise in 1984. If this forecast is realized, 1985 will be the first year since 1955 in which prices paid for all inputs fail to rise. The most significant declines are expected in farm-origin items, especially feed, while nonfarm origin items will remain at or near the 1984 level.

In first-quarter 1985, feed prices dropped 1 percent from the previous quarter and 14.4 percent from first-quarter 1984. This movement is a direct result of stronger 1984 crop production. An increase in feeder cattle prices is anticipated because of the lower feed prices and reduced feeder cattle supplies.

Fuel and energy prices are expected to level off in 1985, after a 3-year decline. Slight increases are forecast in prices of seed, machinery, and farm services and cash rent. First-quarter seed prices were unchanged from the previous quarter but up 9.3 percent from first-quarter 1984. Seed prices are expected to show an annual increase of about 1 percent, as winter seed prices moderate later in the year. For the second consecutive year, interest charges per acre are expected to retreat somewhat.

## Most Prices Received Are Falling

Prices received by farmers are projected to go down in 1985 at a faster rate than prices paid. All major commodity groups will probably show declines, except vegetables and meat animals. Prices for oil crops are forecast to show the sharpest decline, as soybean prices drop dramatically. First-quarter 1985 soybean prices were below \$6, after an average of over \$7 in the same period of 1984.

Feed grain prices are likely to fall somewhat, with corn prices leading the way. As of mid-June, corn had tumbled to under \$2.70, compared with \$3.43 a year earlier. Increased corn production in 1984 and lower demand—due to reduced cattle inventories and declining export volume—are responsible for the price decline. Food grain prices in 1985 should fall only slightly from 1984.

Livestock prices are expected to drop about 3 percent this year, as a slight increase in red meats is offset by



# Cash Receipts: Livestock Falling, Crops Likely Level

Item	1981	1982	1983	1984F	1985F
Billion dollars					
Crop receipts 1/	73.3	74.6	69.5	68-70	67-71
Food grains	11.6	11.5	10.0	8-10	8-10
Feed grains & hay	17.1	18.3	16.8	15-17	15-19
Oil crops	13.9	14.0	13.3	13-15	11-15
Other crops	30.7	30.8	29.4	29-31	28-32
Livestock receipts	69.2	70.1	69.2	72-74	68-72
Meat animals	39.8	40.9	38.8	40-42	38-42
Poultry and eggs	9.9	9.5	10.0	11-13	9-11
Dairy products	18.1	18.3	18.8	17-19	17-19
Other livestock	1.3	1.4	1.6	1-2	1-2
Total cash receipts	142.5	144.8	138.7	140-142	137-141

1/ Includes net CCC loans. The 1984 and 1985 forecasts exclude forest product sales. These will be included under other cash farm income. F = forecast.

receding dairy, poultry, and egg prices. Cattle, veal, and lamb should rise somewhat, offsetting a small slip expected in pork prices. Broiler and turkey prices are likely to show a slight drop. But, the most dramatic decline will occur in egg prices, which spiked last year in response to avian flu.

## Cash Government Payments Already Record Large

Preliminary estimates of direct current-dollar cash Government payments (mainly deficiency, diversion, storage, and conservation programs) through April totaled over \$5.4 billion, eclipsing the previous record of \$4.1 billion for all of 1983. About half of the total through April consists of feed grain deficiency payments (\$2.6 billion), with the majority of these earned on 1984 corn and sorghum crops. Advanced feed grain deficiency payments on 1985 crops also contributed significantly to the total, as they outweighed repayments of unearned advances on the 1983 crop.

Cotton farmers received nearly \$1 billion in deficiency and diversion payments through April, wheat farmers garnered \$700 million, and rice farmers collected \$500 million. Milk diversion disbursements equaled \$300 million and Wool Act disbursements nearly \$100 million. Payment activity is expected to slow until the fourth quarter, when wheat deficiency payments are projected to pass \$1 billion. Some further 1985 crop advances and remaining milk diversion, wheat diversion, and reserve storage payments are expected to make up the bulk of the disbursements from now until the fourth quarter.

## Production Expenses May Edge Down

Farm production expenses are currently forecast to fall slightly in 1985, following 1984's estimated 2- to 3-percent climb. Quantity of input use is expected to move down 1 to 4 percent, as acreage planted declines. The range is currently set at \$136 to \$140 billion for total expenses, and \$111 to \$115 for cash expenses. Census benchmark revisions could necessitate further downward adjustment in these ranges when the 1984 estimates are completed.

Because of continuing softening in feed prices, expenses for farm-origin inputs (feed, feeder livestock and seed) are expected to inch below 1984. Outlays for feeder livestock, however, are forecast to rise 1 to 5 percent, as increased feeder cattle prices offset a reduction in the number of animals purchased for feeding or replacement. Feed expenses are expected to fall 2 to 6 percent as feed prices continue to drop.

Manufactured input expenses (fertilizer and lime, fuels, pesticides, and electricity) are forecast to decline 1 to 4 percent in 1985, following the 10- to 12-percent increase estimated for 1984.

Pesticide and fuel expenses are each expected to slip a little this year because of use reduction, caused in part by declining acreage. In the continuing effort to cut costs of production and maintain positive cash balances, farmers will likely continue shifting to

alternative tillage practices such as ridge-till and no-till. Such changes will likely raise herbicide use and lower fuel use. These trends were suggested in preliminary analysis of the 1984 farm cost and returns survey data. They have important implications for the forecast of manufactured input expenses.

## Interest Expenses Probably Dropping

Interest expenses are expected to decline 1 to 4 percent in 1985, after being stable or down slightly in 1984. Non-real estate interest expenses, which include interest on operating machinery and on CCC commodity loans, may fall; farmers and lenders may remain wary of new debt this year, with some farmers financing more of their operations from internally generated funds. Average outstanding debt is expected to decline 1 or 2 percent, despite the likelihood of substantially increased CCC loan activity. Average interest rates on outstanding debt are expected to change little from 1984 as average market rates change little.

Depreciation expenses (including accidental damage) are forecast to drop 2 to 5 percent in 1985, as capital expenditures decline for the sixth consecutive year. Also important this year are the much smaller changes expected in machinery and building material prices. Since depreciation is currently based on replacement value, lower prices will work to keep this economic cost down. Depreciation expenses likely fell 1 to 2 percent in 1984, making 1985 the third straight year of projected decline. (Gory Lucier and Matt Rea (202) 447-2317)

## Upcoming Economic Reports

Title	Summary Released
World Ag Supply & Demand	July 10
Sub-Saharan Africa	July 15
Agricultural Outlook	July 17
Econ. Indicators of the Farm Sector	July 18
Oil Crops Yearbook	July 22
Livestock & Poultry	July 30

Summaries are available on some computer networks on the dates indicated; the full reports are also released electronically 2 to 3 days later. For details on the summaries, call (402) 472-1892 or (301) 588-1572. Full reports, text and tables, are provided by the system on (402) 472-1892.



## World Agriculture and Trade

### EXPORT UPDATE

As of May 22, U.S. farm product exports in fiscal 1985 were projected at \$33.5 billion, 12 percent below 1984's \$38 billion. Volume was forecast at 137 million tons, a 5-percent decline from last year. However, the forecast does not take into account the recently announced Export Enhancement Program and commodity supply-use estimates in early June.

Increased production in both importing and exporting countries this year is providing formidable competition for U.S. grain and oilseed exports. In some cases, rising production has not only cut the import needs of U.S. customers, but also turned them into competitors as well. New competitors this year include China and India, and the EC will be a net exporter of coarse grains and wheat. U.S. agricultural exports also continue to be hampered by the moderate pace of world economic growth, modest growth in feed consumption, the high value of the U.S. dollar, and domestic support levels.

#### *U.S. Ag Trade Surplus Slips to \$14 Billion*

U.S. agricultural imports are forecast at \$19.5 billion, slightly above the 1984 record. The agricultural trade balance forecast of \$14 billion will be down from last year's \$19.1 billion and equal to only half of the 1981 surplus. This year's agricultural trade surplus

### U. S. Export Volume: Wheat, Soybeans Losing, Corn Gaining

Commodity	October-March		Fiscal	Fiscal
	1983/84	1984/85	1984	1985F
— Million metric tons —				
Wheat	18.907	16.775	41.700	35.0
Wheat flour	.497	.347	1.075	.8
Coarse grains <sup>1/</sup>	31.108	34.827	55.546	58.3
Corn <sup>2/</sup>	26.216	29.114	46.986	49.5
Feeds, ingreds., & fodders	3.647	3.249	6.845	6.8
Rice	1.041	.942	2.293	2.0
Soybeans	12.263	12.051	19.265	18.6
Soybean cake & meal	3.357	2.477	4.862	4.4
Soybean oil	.435	.479	.828	.7
Sunflowerseed	.600	.710	.995	1.0
Sunflowerseed oil	.146	.089	.188	.1
Other oilcakes & meals	.132	.088	.198	.1
Beef, pork, & variety meats	.208	.199	.394	.4
Poultry meat	.109	.118	.226	.2
Animal fats	.751	.595	1.379	1.2
Tobacco	.151	.171	.227	.3
Cotton & linters	.845	.847	1.509	1.3
Horticultural products	1.478	1.385	2.853	2.7
Other	1.721	1.834	3.191	3.2
Total	77.396	77.183	143.574	137.0

<sup>1/</sup> Includes corn, oats, barley, sorghum, rye, and products.

<sup>2/</sup> Excludes products. F = forecast.

will offset a little more than 10 percent of the deficit in U.S. nonagricultural trade. In 1981 it offset nearly 50 percent of the deficit. The difference stems largely from deterioration in nonagricultural trade.

#### *Economic Outlook:*

##### *Slower World Growth*

World economic growth this year will likely be a little slower than 1984's 4.1 percent. Volume of world trade could increase, but at less than 1984's 9-percent rate. The United States economy will expand at less than half of last year's 6.8 percent, and expansion will likely slow in Japan, Brazil, and other countries that benefited from surging U.S. imports.

GNP growth will be slower for much of the developed world in 1985. Tight fiscal and monetary policies are expected to continue in Japan and Europe, slowing increases in domestic demand. Japan's gain in GNP will probably slow from 5.6 to 4 percent, but little change is expected in the EC's slow 2.3-percent rate of last year. EC unemployment has continued to rise and is expected to remain above 11 percent for the year.

Growth in the less developed countries (LDC's) as a group may be higher than last year, as improving conditions in the slowest growing LDC's offset deceleration elsewhere. Lower interest

rates will help, as will stabilizing terms of trade. Debtor countries' GNP will not suffer as much as in recent years, and only one major debtor—Argentina—is expected to experience a decline. Nevertheless, concerns over foreign exchange availability will heighten the LDC's interest in barter and increase their desire to obtain the lowest possible prices.

#### *Regional Highlights*

**Western Europe.**—U.S. agricultural exports to Western Europe are expected to fall to \$7.6 billion in 1985, the lowest in nearly a decade. Record crops in these countries and relatively weak demand will push U.S. export volumes below 1984's depressed levels. Prices will also be lower, further reducing value.

With plentiful EC domestic supplies, U.S. grain exports to Western Europe are expected to fall for the second year in a row. U.S. feed grains will also be displaced by record feed use of EC wheat, estimated at 21-22 million tons this year. (For a more detailed discussion of U.S. grain exports to the EC, see the special article in this issue.)



Soybean exports may fall one-third below the 1980-84 average volume. The EC's milk reduction program, weak demand for meat, record European oilseed crops, and strong South American competition will reduce soybean meal shipments as well. U.S. soybean meal shipments to the EC through April were 50 percent lower than a year earlier.

U.S. cotton exports may equal last year's large volume. Use will be high and competition from the USSR minimal.

*Japan.*—U.S. agricultural exports to Japan may drop 12 percent from 1984's record \$6.9 billion. Sluggish demand for feeds, competition from other exporters, and lower prices are factors.

U.S. feed grain exports are expected to fall from last year's record 15.7 million tons, despite increased sorghum purchases. Japan imported about 500,000 tons of corn from China in the first half of the year and these imports are expected to continue, decreasing the U.S. market share.

U.S. soybean exports to Japan are not likely to exceed 1984's low 4.2 million tons. Compound feed production will grow slowly, and substitution of fish and rapeseed meal has kept soybean meal stocks high. South American competition is also expected to be strong this year.

On the bright side, the U.S. share of Japan's raw cotton imports may rise to 50 percent. Beef exports to Japan are also expected to be higher.

*Canada.*—Little change is expected in the value of U.S. farm exports to Canada. Exports of most fruit and vegetable products have contracted. Reduced U.S. fruit production, higher U.S. fruit prices, and expanded Canadian vegetable production will continue to depress export prospects.

Higher feed grain exports are expected to partially offset lower horticultural exports. A drought reduced the 1984 Canadian barley crop, tightening supplies. Higher soybean meal exports are also likely, given increased Canadian poultry production. Soybean oil exports may also rise, but soybean exports could fall more than 10 percent.

#### U. S. Farm Export Values Slipping

Commodity	October-March 1983/84	October-March 1984/85	Fiscal 1984	Fiscal 1985F
—Billion dollars—				
Grains & feed	9.032	8.108	17.434	15.1
Wheat & flour	3.140	2.634	6.738	5.5
Rice	.426	.330	.897	.7
Coarse grains 1/	4.596	4.391	8.216	7.3
Corn 2/	3.903	3.684	7.023	6.2
Oilseeds & prod.	5.500	4.365	8.774	6.8
Soybeans	3.642	2.854	5.734	4.4
Soybean cake & meal	.837	.485	1.181	.8
Soybean oil	.310	.341	.633	.5
Livestock & prod.	1.746	1.742	3.460	3.3
Poultry & prod.	.208	.203	.413	.4
Dairy products	.190	.178	.397	.5
Horticultural prod.	1.314	1.319	2.606	2.6
Tobacco	.956	1.050	1.433	1.6
Cotton & linters	1.314	1.303	2.405	2.2
Seeds	.195	.219	.320	.4
Sugar & tropical prod.	.444	.399	.789	.7
Total	20.898	18.887	38.031	33.5

F = forecast.

*Oceania.*—U.S. agricultural exports to Oceania will probably rebound from 1984's modest decline. Exports for the first half of the year have expanded for oilseeds and products, fruit, and confectionery products. However, no further soybean exports, and only minimal protein meal exports, are expected because of Australia's record oilseed crop.

*USSR.*—The value of U.S. farm exports to the Soviet Union may reach \$2.8 billion in 1985, climbing to a fiscal year record for the second year in a row. Shipments of U.S. grain are expected to exceed 1979's record 15.5 million tons. Corn shipments are forecast to more than double.

Wheat exports will probably be lower than last year, just reaching the minimum in the U.S.-USSR Grain Agreement. Shipments through March were down, and a repetition of 1984's late-season surge is not anticipated. U.S. cotton and soybean exports are also expected to decline.

*Eastern Europe.*—Improved economic conditions in Eastern Europe are not forecast to boost U.S. farm exports in 1985. Agricultural exports to the region will probably decline, as they have every year since 1981; they are projected to fall 12 percent. Soybean exports will drop the most. Romanian

production was substantially higher in 1984, and Poland's record rapeseed crop will occupy its crushing capacity. U.S. soybean meal exports to Poland will consequently rise in 1985 for the second year in a row.

Wheat and wheat product exports will again consist mostly of relief shipments to Poland. Larger coarse grain crops in the region and competition from other exporters will likely reduce U.S. feed grain exports to Eastern Europe to around 900,000 tons. U.S. cotton and cattle hide exports will increase, fueled by CCC credit guarantees.

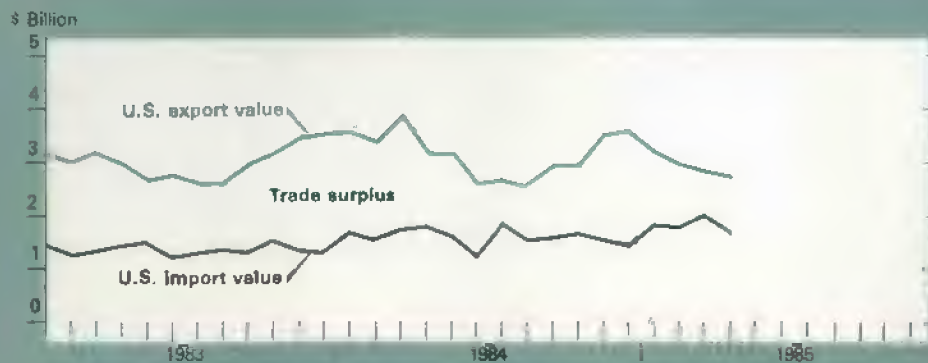
*China.*—Burgeoning Chinese agricultural production will help reduce U.S. farm exports there in 1985. Imports from the United States will probably decline more than 50 percent from last year, reaching their lowest value in 8 years.

China's total wheat import needs are low after several good crops. Consequently, less U.S. wheat will be shipped to China this year. In addition, China has recently emerged as an exporter of corn, cotton, and soybeans.

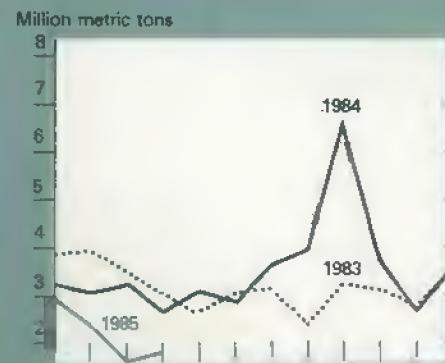
*South Asia.*—South Asia's imports of U.S. farm goods will probably fall more

# U.S. Agricultural Trade Indicators

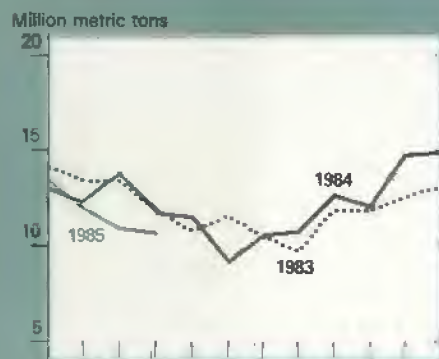
U.S. agricultural trade balance



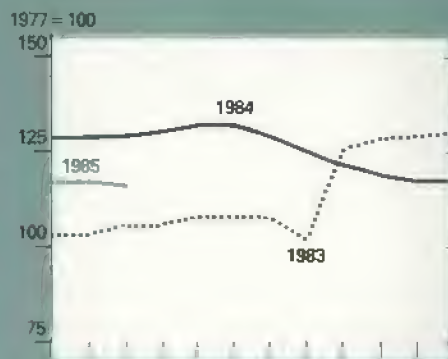
U.S. wheat exports



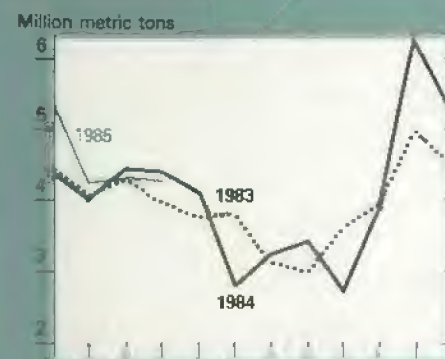
Export volume



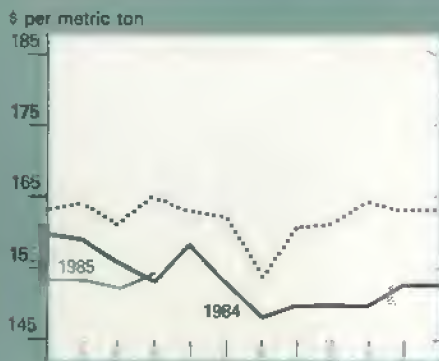
Export prices



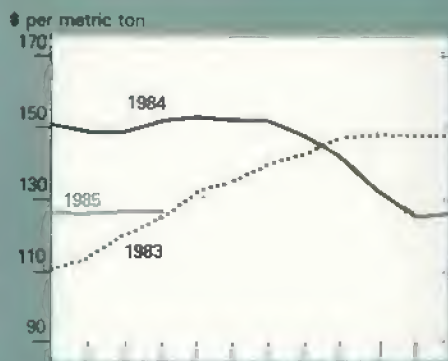
U.S. corn exports



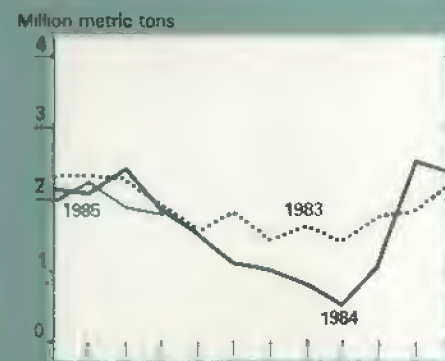
Wheat export unit value\*



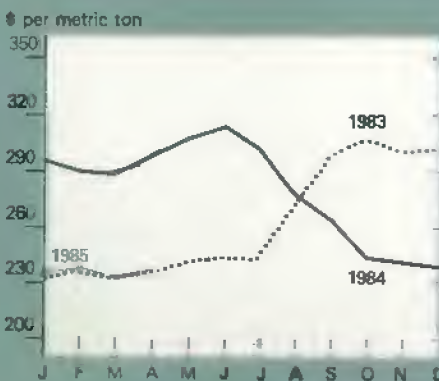
Corn export unit value\*



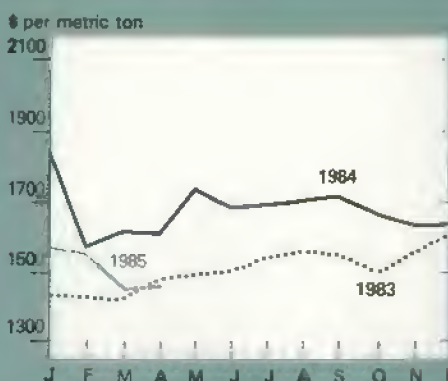
U.S. soybean exports



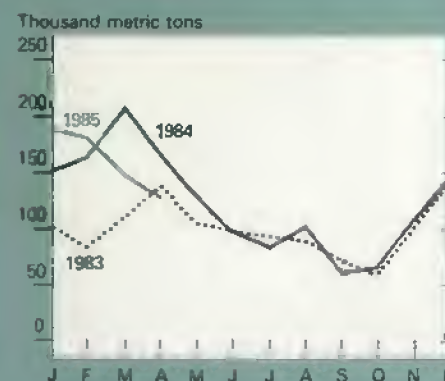
Soybeans export unit value\*



Cotton export unit value\*



U.S. cotton exports



\*Value of U.S. exports divided by volume exported. Data on the wheat, corn, soybean, and cotton exchange rates are now included in the U.S. Agricultural Trade tables at the back of this issue.



than 25 percent this year. India's second bumper wheat harvest and Pakistan's rebounding cotton crop will help reduce import requirements. Wheat sales will drop as India halts commercial imports and becomes a net exporter. However, U.S. wheat sales to Bangladesh will be up sharply because of flood damage there. Rice sales to the region, largely concessional, will be up 50 percent, also in response to Bangladesh's lower production.

Last year, South Asia imported over 400,000 tons of U.S. vegetable oils, but exports will probably fall more than 20 percent in 1985. Malaysian palm oil will offer more competition, and the market is already reduced by stronger domestic production. Cotton exports to the region will fall sharply as Pakistan meets its own needs and in addition cuts the U.S. market share in Bangladesh back to its pre-1984 level.

**Southeast Asia.**—U.S. export sales to Southeast Asia will be about 20 percent below the \$1.2 billion shipped each year since 1980. Rice, mostly concessional, is expected to be the only exception to lower exports to the region in 1985.

Wheat is the largest U.S. farm export to the region, and sales may be off nearly 33 percent. Argentina and Australia have been cutting into the U.S. wheat market share, but Indonesia's increased food grain supplies are the major reason for the decline. Devaluations by the Philippines and Thailand are holding down their imports.

Competition has also reduced estimated 1985 U.S. exports of feed grains, soybeans, and cotton to the area. This year China is underbidding U.S. corn, cotton, and soybeans.

**East Asia.**—U.S. farm exports to East Asia may tumble about \$400 million, or 11 percent. Since prices are lower this year for wheat and soybeans, fairly steady volumes will result in reduced value for them.

Lower feed grain volume is expected to be responsible for much of this year's decline; about 900,000 fewer tons of U.S. feed grains will be imported by the East Asian countries. Competition from Chinese corn and Australian feed wheat has been strong in Korea, reducing U.S. exports. Moreover, not much growth is expected in the region's demand for imported feed grains; livestock feeding will increase only mod-

estly, and government-held grain and other import substitutes are available.

**Middle East.**—U.S. farm exports to the Middle East are forecast slightly higher than in 1984, reaching about \$1.9 billion. Exports of feed grains and oilseeds and products will rise. Extensive use of GSM-102 credit guarantees has increased sales to the region, expanding feeding and boosting livestock production. Credit guarantees to Iraq have increased sales of U.S. fruit, pulses, tobacco, and tallow. Wheat and flour exports will probably fall from last year's 3.2 million tons, despite drought-increased needs. Competition, the strong U.S. dollar, and efforts to diversify suppliers have cut U.S. wheat sales to Turkey and Iraq, and also hampered sales of rice.

**North Africa.**—Export value to North Africa will be slightly lower than 1984's \$1.5 billion. Wheat exports are expected to fall more than 1 million tons, and higher tobacco, cotton, and corn sales are not likely to make up the difference.

The U.S. share of Egypt's wheat imports will be smaller this year. Vegetable oil shipments to North Africa are projected to fall more than 50 percent, largely because of increased Argentine competition in Egypt.

An emphasis on boosting livestock production in Egypt and Algeria is expected to increase U.S. feed grain sales 300,000 to 500,000 tons. A second poor cotton crop will lead Egypt to import significantly more U.S. cotton this year, under GSM-102 guarantees. A similar increase is expected in tobacco sales.

**Sub-Saharan Africa.**—Severe drought this year has increased food import needs and sustained U.S. farm exports to the region. U.S. exports of wheat and wheat products are expected to be 40 percent higher, and exports of vegetable oils nearly 80 percent higher; both are expected to surpass previous records and are mostly concessional. The largest increases will probably be in exports to Ethiopia, Sudan, and Kenya, with massive food aid shipments to the first two. Because of the drought, exports to many smaller countries will also increase, often to record levels.

However, corn production in the Republic of South Africa has rebounded to near self-sufficiency. U.S. corn

exports to South Africa are thus expected to fall from last year's high level, largely offsetting gains elsewhere in the region.

**Latin America.**—The value of U.S. farm exports to Latin America may decline 7 percent in 1985. Lower world prices and better Latin American harvests are the causes. U.S. feed grain exports will probably drop significantly, mostly because of better corn and sorghum crops in Mexico. Wheat shipments to Chile will also fall, but Brazil's increased U.S. wheat imports will offset the decline. Import demand from the United States is up in Brazil this year following a poor crop and the continuation of consumption subsidies.

Mexico's U.S. soybean purchases through March have exceeded expectations—sales are over 800,000 tons higher than last year—following a policy change permitting imports by the private sector. This buying is expected to slow over the next few months, however, and soybean exports to Latin America will end the year only slightly higher than 1984. [Steve MacDonald (202) 447-8841]

#### Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the August *Agricultural Outlook* comes off press.

#### July

1	Poultry Slaughter
2	Dairy Products
5	Celery
10	Crop Production Grain Stocks
11	Mink
12	Turkey Hatchery
16	Milk Production
19	Vegetables Catfish
22	Cold Storage Cattle on Feed Livestock Slaughter
23	Eggs, Chickens, & Turkeys
30	Egg Products
31	Agricultural Prices

Reports are available through subscription only. For subscription information, write or call Jerry Clampet, SRS, Crop Reporting Board, Rm. 5809-South Bldg., Washington, D.C. 20250; (202) 447-2130.



## Inputs

### FERTILIZER UPDATE

May farm fertilizer prices averaged 8 percent below last year and about 2 percent below April. Unchanged domestic consumption and plentiful supplies resulted in fall-to-spring price declines.

May anhydrous ammonia prices were down 1 percent from March and down 10 percent from a year earlier. Ammonium nitrate and urea prices were off about 5 percent from May 1984 and 2 percent from March 1985. Triple superphosphate, muriate of potash, and diammonium phosphate prices were down about 12 percent from May 1984. Triple superphosphate and diammonium phosphate prices in May declined 2 percent from March, while potash prices were unchanged.

Reduced U.S. fertilizer prices this year have enhanced export market activity. In the first 9 months of the 1984/85 fertilizer year, anhydrous ammonia production climbed about 13 percent, wet-process phosphoric acid 9 percent, and potash 1 percent.

Nitrogen exports from July 1984 to April 1985 were up about 77 percent from a year earlier, to 2.8 million tons. The nitrogen in diammonium phosphate accounted for about 44 percent of all nitrogen exports, while anhydrous ammonia and urea accounted for another 47 percent.

Also in July 1984-April 1985, phosphate exports increased 46 percent to 4.9 million tons of plant nutrient. Diammonium phosphate accounted for 65 percent of phosphate exports.

Potash exports gained 39 percent to 472,000 tons during the period, with potassium chloride being the principal contributor.

Stable domestic demand, increased U.S. production, and lower prices have discouraged nitrogen and potash imports. In the July-April period, nitrogen imports were 10 percent below last year, while potash imports were down 2 percent. [Paul Andrienas (202) 786-1456]

### PESTICIDE PRICES

Farm-level herbicide prices were down 4.4 percent in May from a year earlier, compared with a decline of 5.9 percent between 1983 and 1984. Butylate prices declined 8 percent, followed by

atrazine at 7.7 percent and trifluralin at 6.5. The price of cyanazine increased 3.3 percent while alachlor's price remained unchanged from May 1984. The May 1985 composite herbicide price of \$4.12 rose from March's \$4.02 because of a seasonal increase in demand.

Farm-level insecticide prices were down 0.7 percent in May from a year earlier. Synthetic pyrethroid prices declined 5 percent because of increased competition from second-generation pyrethroid products. The price of phorate increased the most, 6 percent, followed by terbufos at 3.8 percent. However, prices for two other major corn insecticides, carbofuran and chlorpyrifos, declined 1 percent. [Herman Delvo (202) 786-1457]

### Fertilizer Prices Continue Their Decline<sup>1</sup>

Year	Anhydrous ammonia (82%)	Triple superphosphate (44-46%)	Diammonium phosphate (18-46-0%)	Potash (60%)	Mixed fertilizer (6-24-24%)
Dollars per short ton					
1982	255	228	262	155	219
1983	237	214	249	143	206
1984	280	231	271	147	217
1985	252	203	240	128	192

1/ Based on a May survey of farm supply dealers conducted by the Statistical Reporting Service, USDA.

### Composite Pesticide Prices Move Down<sup>1</sup>

Pesticide 1985	1983	1984	1985	Change from 1984 to 1985
Dollars per pound 2/				
Herbicides:				
Alachlor	5.00	5.25	5.25	0.0
Atrazine	2.50	2.22	2.05	-7.7
Butylate <sup>3/</sup>	3.37	3.46	3.19	-8.0
Cyanazine	—	4.48	4.63	3.1
Metolachlor	—	6.24	6.14	-1.6
Trifluralin	7.70	6.90	6.45	-6.5
2,4-D	2.64	2.42	2.37	-2.1
Composite 3/	4.58	4.31	4.12	-4.4
Insecticides:				
Carbaryl	3.65	3.75	3.81	1.6
Carbofuran	10.24	10.55	10.44	-1.0
Chlorpyrifos	—	8.33	8.25	-1.0
Fonofos	—	8.79	8.94	1.7
Methyl parathion	2.66	2.90	2.91	0.3
Phorate	—	6.26	6.65	6.2
Synthetic pyrethroids	58.40	56.00	53.20	-5.0
Terbufos	—	9.55	9.91	3.8
Composite 3/	9.88	10.04	9.97	-0.7

1/ Based on a May survey of farm supply dealers conducted by the Statistical Reporting Service, USDA. 2/ Active ingredient.

3/ Includes above materials and other major materials not listed. —not reported.





## Transportation

### SHIPPING OUTLOOK FOR FRESH PRODUCE

Trucks are expected to maintain or marginally increase their share of fresh produce shipments in 1985, carrying about 87 percent. In 1984, trucks increased their market share slightly, after declining for the 3 preceding years.

Truck equipment will be ample for the remainder of the year. Although the number of new refrigerated trailers entering the fleet in 1985 is forecast at 20,000, down from 1984's record 22,600, much of the new equipment consists of 48-foot vans. These large vehicles offer substantial capacity increases. Lettuce shippers can now load 6-8 percent more into a single van, while shippers of citrus and apples enjoy 10-11 percent increases. Since the operating costs remain essentially the same for 45- or 48-foot vans, the new equipment offers a real gain in efficiency.

#### Truck Rates Going Up Seasonally

Truck rates for lettuce and citrus/vegetables from California during the first 4 months of 1985 averaged 6-7 percent below the same period last year. Rates for most fresh produce are expected to rise during June-August, the peak harvest months. Rates for highly perishable items will remain well above those for more durable products.

In 1984, the costs of operating trucks, as reported by USDA's Office of Transportation, rose about 1.1 percent, while truck rates for fresh produce ship-

### Long-Term Trends in Fresh Produce Shipping Persist

Year	Rail	TOFC	Truck
	Percent		
1981	8.4	2.8	88.7
1982	8.0	4.1	87.9
1983	8.8	5.6	85.5
1984	7.1	6.3	86.7
1985 F	6.6	6.6	86.9

F = forecast.

ments climbed 4-7 percent. The differences in these increases illustrate the complex demand factors present in fresh produce marketing. Over long periods, truck rates and truck costs move together; last year both rates and costs averaged about 15 percent above 1980. In the short run, however, rates are greatly influenced by the number of trucks readily available in an area that has fresh produce ready for harvest.

On the one hand, shippers of produce must consider the perishability of their harvested crop. On the other hand, truckers are willing to offer discounts for predictable regular shipments of produce such as apples.

Lettuce must be shipped shortly after harvest to maintain quality, and growers cannot predict very far in advance when a given field will be ready for harvest. As a result, lettuce shippers must bargain with the truckers immediately near the field being harvested. Consequently, lettuce rates tend to be high. In 1984 lettuce shippers paid as much as \$5.00 per box during the peak season. On the other hand, sometimes the number of trucks near the harvest is large. In January 1985, truckers received as little as \$3.02 per box for hauling lettuce to New York City.

Apple growers confront a very different and more favorable transportation situation. Apples of a given variety in a single region all become ready for harvest at approximately the same time. Since apples can be stored for long periods with no loss in market quality, shippers can delay shipment until enough trucks become available. Thus, rates for apples tend to be lower than for lettuce. In addition, apple shipments from a single region are fairly evenly spaced over the year. This regular demand pattern allows shippers and truckers to enter into season-long agreements at stable rates.

The apple rate from Washington State to New York City has remained at \$3.20 per box from July 1984 through May 1985 and is likely to stay there until fall harvest.

#### Truck Costs To Rise This Summer

During the first 4 months of 1985, operating costs of owner-operators have averaged slightly below 1984 and fleet operations have equaled 1984. Nevertheless, costs of insurance, fuel, and taxes all seem likely to rise by midsummer. Insurance costs appear to be increasing the most rapidly. Starting last January 1, the Motor Carrier Act of 1980 required minimum liability coverage of \$750,000 for each truck operating in interstate commerce. Annual per vehicle premiums have been reported as high as \$3,400. Such a premium costs an individual truck about 4 cents a mile. Truckers will attempt to recoup higher costs by raising rates, but the large supply of trucks should temper rate increases.

#### TOFC's End Gains

The growth in trailer-on-flat-car (TOFC) service appears to be slowing. For the first 4 months of 1985, TOFC's have accounted for 6.6 percent of fresh produce traffic. Total TOFC shipments are expected to decrease this year to about 4 million trailers, from 4.4 million in 1984. Railroad utilization of TOFC rail cars also shows signs of decreasing following 4 years of increase. Based on January-April data, TOFC cars are projected to be loaded only 41 times during 1985.

The average number of trailers loaded on each rail car has continued to decline throughout the 1980's. A conventional car can carry two ordinary highway trailers. In 1980 an average of 1.8 trailers were loaded onto each car. For the period January-April 1985 only 1.6 cars were loaded. Some of this decline stems from the new 48-foot trailers. Many TOFC rail cars can accommodate only one 48-foot trailer.

In response to the problem created by 48-foot trailers, railroads are obtaining TOFC cars that can carry two of these trailers. They are also developing a car to carry trailers in stacks of two, thus enabling it to carry a total of 4 trailers.

TOFC traffic is not regulated by the Interstate Commerce Commission and rates for TOFC shipments are not public information. It is likely that produce shippers will be offered about the same rates during the summer of 1985 as last year. [T. Q. Hutchinson (202) 447-8707]



## EC Grain Policies Hurt U.S. Exports

The European Community harvested a huge 151-million-metric-ton crop of wheat and coarse grains in 1984. This crop is the largest ever—28 million tons above 1983 and 19 million above the previous high in 1982—in part because of unusually favorable weather. The resulting supplies will make the EC for the first time a net exporter of coarse grains, a condition which has existed for wheat as far back as 1974. The situation also serves as an ominous reminder to the United States and other traditional grain exporters that the EC has growing capability to generate grain surpluses.

The EC's grain pricing policies, in combination with technological advances, are responsible for the Community's long-term growth in export potential. EC policies have a double impact on U.S. grain exports. Not only are U.S. grains displaced from the EC market, but they also face direct competition in non-EC markets from subsidized EC grains.

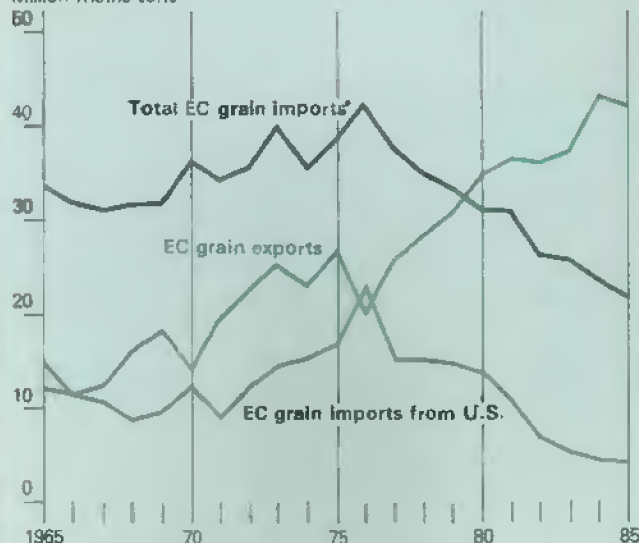
### *EC Imports of U.S. Grain Continue To Slip*

EC imports of U.S. grains have declined sharply in recent years and are now half the level of two decades ago. For the 1984/85 marketing year (July-June), EC imports may total only 4.6 million metric tons, less than one-third the average tonnage during the 1970's. The U.S. share of the market (counting intra-EC trade) is estimated at 20 percent for 1984, compared with an average of 40 percent during the 1970's. Although the major tonnage decline has been in coarse grains, wheat imports have also slipped.

EC policy has offered domestic grain producers a protective variable levy on imports and an open-ended price support (intervention) system. The major grain-producing countries—including France, West Germany, and the United Kingdom—have responded strongly.

## As EC Exports Move Grain, U.S. Sales Slide

Million metric tons



\*Includes intra-EC trade; rice not included.  
Marketing years; 1985 forecast.

### *EC Competes in World Markets*

The 1984 grain crop is expected to lead to record exports in 1984/85. Export gains are forecast for both wheat and barley. The USSR, Poland, Algeria, and Egypt are among the EC's major grain markets.

The amount the EC spends to dispose of surplus grains is second only to that spent for the EC's biggest surplus commodity, dairy products. Surplus soft wheat production has been dealt with in various ways: subsidized exports, feeding schemes (including denaturing—i.e., adding fish oil or dye to bread wheat), and increased storage.

The EC's aggressive export policy for wheat and wheat flour led the United States to file a 301 petition in the General Agreement on Tariffs and Trade (GATT), charging that the EC was displacing the United States from traditional markets through subsidized exports. Subsequently, in 1983 the EC voluntarily and unilaterally limited its subsidized exports to 14 percent of the world wheat market.

Although the EC normally needs to subsidize exports substantially to be competitive in world markets, the strength of the U.S. dollar nearly eliminated the need for export subsidies early in 1984/85. For example, in 1979 the EC's export subsidy for wheat averaged 1.77 ECU's (\$2.42) per bushel, but the subsidy dropped to a low of only 0.07 ECU's (\$0.05) in mid-September 1984. A similar development occurred for coarse grains.

The strong appreciation of the dollar relative to EC and most world currencies has reduced world commodity prices stated in dollars but increased prices stated in EC currencies. The result has been higher prices for commodities imported from the United States, an improved export position for the EC and, therefore, lower budgetary costs, despite the bumper grain crop.



One EC policy is to let soft wheat prices fall below intervention prices, encouraging feed use of wheat. Stock accumulation is minimized, and export subsidy costs are lowered. The EC's expectation is that soft wheat will further substitute for barley in livestock rations, leaving more barley—which has a more favorable export market than soft wheat—available for export.

#### ***Yield Increases Have Led Big Production Gains***

Total grain production in the EC has expanded at an annual rate of 2.7 percent—from an average of 73.2 million tons in 1960-1962 to 132.7 million in 1982-1984. All of the increase has come from higher yields, since acreage declined 465,000 hectares (1.6 percent) between the two periods. However, area shifts have occurred among grains. Wheat area is expanding and coarse grain area is contracting.

Average annual increases in wheat and coarse grain yields were 3.1 percent and 2.6 percent, respectively, between 1960-62 and 1982-84. Thus, wheat yields are higher and have increased faster than coarse grain yields. Yields vary considerably, though, among countries and among grains. For example, corn yields in France and Italy, the EC's two major producers, are typically higher than wheat or barley yields. Also, there are significant regional differences within some member countries.

EC wheat and barley yields have traditionally been high by U.S. standards (corn yields are higher in the United States). Fertilizer application rates in the EC are higher than in the United States and moisture and growing conditions are usually quite good for small grains. In addition, new, ever-higher-yielding varieties of wheat and barley have been developed continuously for the past two decades. High-yielding varieties of wheat are commonplace. Farmers have expanded production of wheat because the greater yields make wheat more profitable than other grains within the EC price support system.

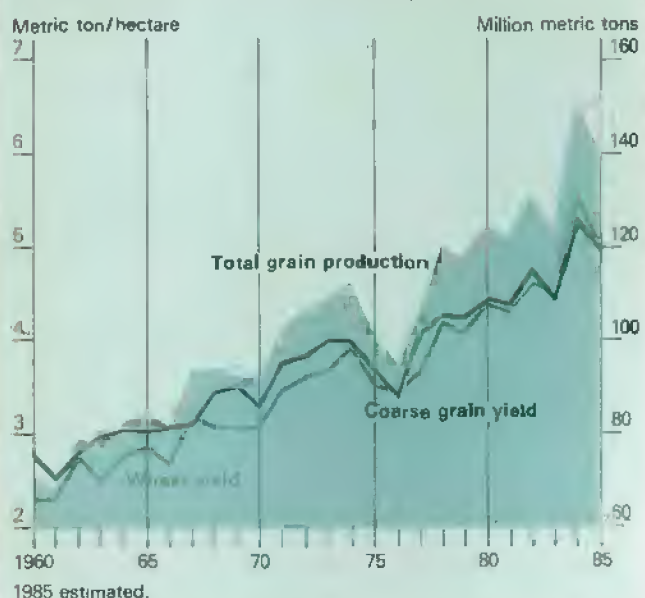
#### ***Grain Prices Set High in '67***

Guaranteed high prices have been the incentive behind the EC's expansion in grains. Grain prices among the original six member countries<sup>1</sup> were "harmonized" in June 1967 with a tilt in favor of the higher West German prices. The higher prices provided a particularly strong stimulus to French producers, who were accustomed to lower prices. France had a "quantum system" in which prices were keyed to the level of production: small producers received higher prices than did large producers.

The EC substantially increased nominal prices for grains over time, providing an impetus to producers to continue expanding output, particularly when price increases were coupled with technological advancements. If adjustments to national currencies are factored in, price incentives for increased production appear even stronger.

<sup>1</sup>The six original members when the Rome Treaty was signed in 1957 were Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany. Denmark, Ireland, and the United Kingdom joined in 1973, and Greece in 1981.

EC Grain Output and Yields Have Climbed for a Quarter-Century



#### ***Feed Wheat Production Encouraged By Intervention System***

Two factors contributed to the rapid rise in the EC's soft wheat production—the intervention price for soft wheat was more favorable than for other grains, and there was no price differentiation between wheat of bread-making quality and wheat for feed. Consequently, high-yielding varieties of soft wheat were developed; although these were not of bread-making quality, they were eligible for intervention purchase at high prices.

Beginning in 1976/77, the intervention price for soft wheat not of bread-making quality was lowered to the same level as for barley. In 1978/79, the corn price was also set at the barley level. Finally, rye prices were aligned in 1982/83. Thus, the same intervention price applied to soft wheat not of bread-making quality and to feed grains. However, the market price for each grain varies because of differences in nutritional values and the supply-demand situation for each season.

Over time, the EC has widened the band between intervention and target prices for grains so that internal market forces have a greater effect on market prices. Consequently, the EC relies less on institutional price setting and intervention buying.

Since soft wheat is the grain most in surplus, its price tends to be substantially depressed relative to other grains. Prices at the farm gate, particularly in major surplus wheat areas, can be significantly below intervention prices, since transportation and handling costs must also be considered.

On the other hand, corn is still in deficit in the EC and the target price provides a ceiling for feed grain market prices in the Community. If prices rise to the target price level, corn imports begin to enter the EC at the threshold price and prevent further price increases.

The increased availability of wheat at relatively low prices has resulted in much higher feed use of wheat in the EC. Use grew from 8.7 million tons in 1967/68 to 15.3 million in

1982/83, when wheat accounted for 22 percent of all grains used in feed. In 1983/84, the feed use of wheat jumped to around 20 million tons. In addition to the large quantities of feed wheat, the Community had a program in 1983/84 to subsidize surplus bread wheat for use as feed. The EC has continued to encourage feed use of wheat, but increases in 1984/85 do not appear large.

#### ***More Grain Imports Likely To Be Displaced***

The decline in soft wheat prices relative to the price of imported grains—especially corn and hard wheat—has led to several developments in the EC in recent years:

- **Corn Import Competition**—Allowing soft wheat prices to decline while raising the threshold price for corn has made EC soft wheat competitive with U.S. corn imports in starch manufacturing. This development has occurred despite the fact that starch yields from wheat are reportedly 4-5 percent less than from corn. Wheat starch also reportedly requires more electricity and steam to manufacture. In addition, switching from corn to wheat involves the loss of corn oil, a valuable byproduct. However, wheat starch processing yields wheat gluten, which is also relatively expensive in the EC, whether purchased in concentrated form or as a component of hard wheat.
- **Hard Wheat Import Competition**—Wheat gluten is now increasingly substituted for high-quality imported wheat in making bread, displacing U.S. imports of hard wheat. Wheat gluten production has expanded rapidly in recent years. Wheat gluten is still viewed by some as too limited in supply and too high in price for large-scale use in milling. This situation may change dramatically, though, as new plants and plant enlargements come on stream. Improvements in the EC's baking industry have already reduced the demand for high-quality hard wheats.

#### ***Lower Intervention Prices Not Likely in Future***

The EC will continue to be a surplus producer of grains, because of the Community's policies and the industry's production efficiency.

The EC Commission has recommended that EC grain prices be lowered to world (or U.S. target) levels, but the EC Council—the decisionmaking entity in the Community—has not endorsed this recommendation. If the value of the U.S. dollar should weaken substantially, subsequent grain price reductions would be a most difficult pill for the Community to swallow.

The extent to which the EC can lower grain prices is both a political and an economic matter. Certainly grain producers will be opposed to price reductions and will pressure the agricultural ministers of the EC member countries through their representative organizations.

This has already occurred in West Germany, for example, where Agricultural Minister Ignaz Kiechle refused to go along with his colleagues in the recent EC Agricultural Council meetings on grain price reductions for 1985/86. Under the EC's present price regime, it is likely that large

grain producers in fertile areas of the Paris basin are receiving prices well above production costs. However, the cost of producing grains in other areas of the EC, and the likely response to substantially lower prices, are much more problematic.

The Community already has a mechanism for reducing grain prices if production exceeds a given base period. For each 1 million tons of grain in excess of the guarantee production threshold, grain prices are to be reduced 1 percent, up to a maximum of 5 percent.

However, this mechanism lacks effectiveness because the reduction is made from base grain prices that are politically determined ahead of any production-related price reduction. Thus, politicians can simply make allowances in advance for any price cut. Another hitch with the price adjustment mechanism is that it may be totally ignored—as it has been to date. One should keep in mind, though, that EC and national officials, who were quite outspoken against dairy quotas, still accommodated them when EC budget overruns became critical.

A fall in the dollar's value vis-a-vis EC currencies would exacerbate the EC's budgetary problems and possibly expedite measures to bring surplus grain production under control. Reducing or eliminating U.S. support prices for grains would also tend to increase EC grain-sector costs.

EC grain production in 1985 is expected to recede from 1984's high level. Prices received for soft wheat may also result in some production shifts within the grains sectors. In addition, further impetus will likely be given to the production of rapeseed and sunflowerseed, both of which have expanded rapidly in recent years. However, guarantee production thresholds are now in place for both rapeseed and sunflowerseed. But, as indicated earlier, this device may not be very effective in constraining output.

#### ***Inertia and Politics Will Probably Keep EC Policies at Status Quo***

Overall, it seems highly unlikely that EC policies will be changed to further control grain production in the near future. Major reasons include:

- the EC's tendency to resolve critical issues only as it is forced to;
- the Community's desire to remain a major grain exporter;
- the politicians' concern with supporting farm income; and
- the budgetary relief expected next January 1, when the cut of the value-added tax going to the EC's own resources is raised from 1.0 percent to 1.4 percent.

However, budgetary problems are still a major concern and real prices of grains will surely continue to decline.

EC officials are quick to point out that, despite the decline in U.S. grain imports, Community imports of commodities such as soybeans and other nongrain feedstuffs significantly increased through 1981. Although this is true, EC imports of U.S. soybeans, soybean meal, and nongrain



feedstuffs have slipped in recent years. In addition, the EC is contemplating imposing import quotas on corn gluten feed and meal and citrus pellets. On numerous occasions, officials have also discussed a consumption tax on fats and oils. These actions would further damage U.S. exports, which have declined from 28.8 percent of EC imports in 1970 to only 18 percent in 1984.

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#### ***Export Enhancement Program Gives Bonus for Commercial Sales***

The Export Enhancement Program recently initiated by the Administration offers Government-owned commodity bonuses to U.S. exporters of agricultural products. This Commodity Credit Corporation program, which will operate from fiscal 1986 through 1988, will use \$2 billion in Government-owned inventories to expand commercial sales of agricultural commodities. The program specifically requires that bonuses be used to generate additional commercial sales. Further, the bonus programs are to be aimed at foreign markets where the United States has lost market shares because of unfair trade practices by competing exporters.

The extent of the program's benefits to U.S. producers will depend largely on how much the bonuses raise commercial exports and, in consequence, U.S. farm prices. The Government could gain directly through reduced storage costs, and indirectly through a possible reduction in deficiency payments to producers.

The total value of U.S. agricultural exports to the EC has deteriorated since the 1980 fiscal year peak of \$10.6 billion. Value reached only \$6.7 billion in fiscal 1984. Moreover, U.S. farm exports to the EC during October 1984-March 1985 were 21 percent below the comparable period a year earlier. [Reed E. Friend (202) 447-6809]

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The export bonus plan is not an altogether new concept. An export payment-in-kind program was implemented between 1956 and 1966. The purpose then was to place the bulk of export business in the hands of commercial traders and reduce the volume handled by the Commodity Credit Corporation. Under the original program, payments were made to exporters in the form of commodity certificates redeemable for CCC-owned stocks.

The current proposal differs from the original export PIK in two ways. First, the earlier program was not targeted at regions where the United States may have lost market share; it provided a uniform subsidy applicable to all importers. Second, the mode of payment proposed is different. The new export bonus plan calls for a specified additional commodity payment to exporters upon proof of commercial export sales from free-market stocks. The original PIK program made subsidy payments based either on daily bids or on the difference between U.S. domestic and world price. [Praveen Dixit (202) 447-8470 and Cathy Jabara (202) 447-8143]

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# Statistical Indicators

## Summary Data

### Key statistical indicators of the food and fiber sector

	1984				1985				
	II	III	IV	Annual	I F	II F	III F	IV F	Annual F
Prices received by farmers (1977=100)	145	142	137	142	135	130	136	134	133
Livestock & products	146	143	142	146	144	135	142	141	140
Crops	143	141	131	139	126	125	129	126	126
Prices paid by farmers, (1977=100)									
prod. items	157	154	152	155	154	153	152	152	153
Commodities & services, int., taxes, & wages	165	164	163	164	164	165	165	165	165
Cash receipts 1/ (\$ bil.)*	137	141	150	140-142	137	136-140	137-141	141-145	137-141
Livestock (\$ bil.)	70	71	74	72-74	71	67-71	67-71	69-73	68-72
Crops (\$ bil.)	67	70	76	68-70	66	67-71	68-72	70-74	67-71
Market basket (1967=100)									
Retail cost	278	280	279	279	284	285	289	290	287
Farm value	252	256	249	254	246	246	250	249	248
Spread	293	294	294	293	307	313	313	315	312
Farm value/retail cost (%)	34	34	34	34	32	31	32	32	32
Retail prices (1967=100)									
Food	302	304	304	303	309	311	315	317	313
At home	292	293	292	292	298	298	303	304	301
Away-from home	332	335	338	333	341	346	350	355	348
Agricultural exports (\$ bil.) 2/	8.9	8.2	10.0	38.0	8.9	7.8	6.8	9.0	33.5
Agricultural imports (\$ bil.) 2/	4.7	5.0	4.7	18.9	4.7	5.5	4.6	4.7	19.5
Livestock & products									
Total Livestock & Products (1974=100)	116.5	114.8	116.1	114.9	112.5	119.3	115.8	114.4	115.5
Beef (mil. lb.)	5,820	5,952	5,936	23,418	5,691	5,875	5,675	5,500	22,741
Pork (mil. lb.)	3,670	3,355	3,957	14,720	3,618	3,625	3,375	3,650	14,268
Veal (mil. lb.)	113	123	128	479	119	115	115	100	444
Lamb & mutton (mil. lb.)	92	88	93	371	93	85	79	81	338
Red meats (mil. lb.)	9,695	9,518	10,114	38,988	9,521	9,700	9,244	9,331	37,796
Broilers (mil. lb.)	3,350	3,339	3,227	12,999	3,227	3,550	3,520	3,400	13,697
Turkeys (mil. lb.)	589	777	775	2,574	482	625	820	815	2,742
Total meats & poultry (mil. lb.)	13,634	13,634	14,116	54,561	13,230	13,875	13,584	13,546	54,235
Eggs (mil. dz.)	1,408	1,427	1,469	5,705	1,431	1,420	1,410	1,450	5,711
Milk (bil. lb.)	35.6	33.5	32.4	135.4	33.6	37.0	34.9	33.6	139.1
Choice steers, Omaha (\$/cwt.)	66.01	64.28	63.49	65.34	62.24	58-60	62-66	64-68	61-65
Barrows & gilts, 7 markets (\$/cwt.)	48.91	51.21	47.65	48.86	47.32	42-44	47-51	47-51	45-49
Broilers-wholesale, 12-city weighted avg. dressed (cts./lb.)	56.4	54.1	49.9	55.6	51.5	49-51	49-53	48-52	49-53
Turkeys-wholesale, N.E., 8-16 lb. hens, dressed (cts./lb.)	66.9	72.4	90.5	74.4	68.9	62-64	64-68	63-67	64-68
Eggs, N.Y. Gr. A large, (cts./dz.)	83.4	70.1	66.7	80.9	61.7	55-57	66-70	68-72	62-66
Milk, all at farm (\$/cwt.)	12.97	13.27	14.10	13.45	13.67	12.55-12.85	12.10-12.50	12.55-13.05	12.70-15.00
Crop prices at the farm 3/									
Wheat (\$/bu.)	3.58	3.38	3.42	3.38	3.38	—	—	—	3.20-3.40
Corn (\$/bu.)	3.34	3.11	2.59	2.67	2.64	—	—	—	2.50-2.70
Soybeans (\$/bu.)	7.98	6.51	5.97	5.90	5.84	—	—	—	5.25-5.75
Upland cotton (cts./lb.)	69.3	66.0	60.7	—	51.8	—	—	—	—

1/ Quarterly cash receipts are seasonally adjusted at annual rates. 2/ Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. 3/ Quarterly prices are simple averages; annual prices are for marketing year beginning in year indicated. F = Forecast. Numbers may not add to totals due to rounding. \*Seasonally adjusted at annual rates.



## Farm Income

### Farm Income statistics

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 F	1985 F
	\$ Bil.										
<b>Receipts</b>											
Cash receipts:											
Crops 1/	45.8	49.0	48.6	53.7	63.2	72.7	73.3	74.6	69.5	68 to 70	67 to 71
Livestock	43.1	46.3	47.6	59.2	68.6	67.8	69.2	70.1	69.2	72 to 74	68 to 72
Total	88.9	95.4	96.2	112.9	131.8	140.5	142.6	144.8	138.7	140 to 142	137 to 141
Other cash income 2/	1.8	1.8	3.0	4.3	2.9	2.8	3.8	5.5	10.8	10 to 12	8 to 12
Gross cash income	90.7	97.1	99.2	117.2	134.7	143.3	146.4	150.2	149.6	152 to 154	147 to 152
Nonmoney income 3/	6.5	7.3	8.4	9.2	10.7	12.4	13.6	14.2	13.6	12 to 14	11 to 13
Realized gross income	97.2	104.4	107.6	126.4	145.4	155.7	160.0	164.4	163.2	165 to 167	159 to 164
Value of inventory chg	3.4	-1.5	1.1	.8	4.9	-5.5	7.9	-2.6	-11.7	7 to 9	-3 to 1
Total gross income	100.6	102.9	108.7	127.2	150.4	150.2	167.9	161.8	151.4	173 to 175	158 to 163
<b>Expenses</b>											
Cash expenses 4/	61.7	67.8	72.0	81.0	97.2	105.6	111.4	113.4	109.5	113 to 115	111 to 115
Total expenses	75.0	82.7	88.9	99.5	118.1	128.9	136.9	139.5	135.3	138 to 140	136 to 140
<b>Income</b>											
Net cash income	29.0	29.3	27.3	36.2	37.5	37.7	35.0	36.8	40.1	37 to 40	34 to 39
Total net farm income	25.6	20.1	19.8	27.7	32.3	21.2	31.0	22.3	16.1	33 to 36	20 to 25
Deflated total net farm income 5/	20.3	15.2	14.2	18.4	19.8	11.9	15.8	10.8	7.5	14 to 16	9 to 11
Off-farm income	23.9	26.7	26.1	29.7	35.3	37.6	39.8	39.4	41.0	39 to 43	41 to 45

F = Forecast. 1/ Includes net CCC loans. The 1984 and 1985 forecasts exclude forest products. 2/ Income from machine hire and custom work, farm recreational income, and direct government payments. The 1984 and 1985 forecasts include sales of forest products. 3/ Imputed gross rental value of farm dwellings and value of home consumption. 4/ Excludes depreciation of farm capital, perquisites to hired labor, and expenses associated with farm dwellings, and includes net rent to all landlords. 5/ Deflated by the GNP implicit price deflator, 1972=100. Totals may not add due to rounding.

## Transportation Data

### Rail rates; grain and fruit-vegetable shipments

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Rail freight rate index 1/</b> (Dec 1984 = 100)										
All products	93.7	95.0	99.3	99.0	99.9	100.0	100.0	100.0 p	100.0 p	100.0 p
Farm products	92.4	94.0	98.7	98.2	100.0	100.0	100.0	100.1 p	99.5 p	99.5 p
Grain	93.4	94.0	98.6	98.0	100.0	100.0	100.2	100.0 p	99.3 p	99.3 p
Food products	93.7	94.8	99.1	98.8	99.6	100.0	100.0	100.0 p	100.0 p	100.0 p
<b>Grain</b>										
Rail carloadings (thou. cars) 2/	24.9	26.1	27.3	26.8	28.2	26.4	24.9	23.9	23.4	19.9
Barge shipments (mil. bu.) 3/	41.2	40.8	37.2	38.7	56.6	36.2	32.9	30.0	34.2	34.4
<b>Fresh fruit &amp; vegetable shipments</b>										
Piggy back (thou. cart.) 3/ 4/	387	545	568	678	454	511	480	519	602	641
Rail (thou. cart.) 3/ 4/	698	786	641	637	458	635	570	565	631	444
Truck (thou. cart.) 3/ 4/	7,849	7,786	7,861	8,817	7,556	7,962	6,918	6,786	7,334	8,584

1/ Department of Labor, Bureau of Labor Statistics, revised March 1985. 2/ Weekly average; from Association of American Railroads. 3/ Weekly average; from Agricultural Marketing Service, USDA. 4/ Preliminary data for 1985. p = preliminary.

# Farm Prices: Received and Paid

## Indexes of prices received and paid by farmers, U.S. average

	Annual			1984		1985				
	1982	1983	1984	May	Dec	Jan	Feb	Mar	Apr	May p
	1977=100									
<b>Prices Received</b>										
All farm products	133	134	142	145	135	135	135	134	131	129
All crops	121	127	139	145	125	126	125	127	125	124
Food grains	146	148	143	151	140	140	139	140	142	136
Feed grains & hay	120	143	146	160	128	130	129	130	132	133
Feed grains	120	146	148	162	127	130	129	131	133	132
Cotton	92	104	108	120	92	86	81	90	92	92
Tobacco	154	147	156	149	166	162	158	159	157	157
Oil-bearing crops	88	102	109	124	90	90	88	90	90	88
Fruit	175	123	199	178	201	197	188	175	172	180
Fresh market 1/	186	123	216	192	217	212	202	185	182	193
Commercial vegetables	127	131	134	122	115	128	137	153	122	116
Fresh market	120	129	133	117	108	126	137	158	118	110
Potatoes 2/	125	123	157	173	126	132	133	139	146	153
Livestock & products	145	141	146	145	145	145	145	141	136	134
Meat animals	155	147	151	153	151	152	154	148	144	143
Dairy products	140	140	138	134	144	144	141	137	133	131
Poultry & eggs	110	118	135	133	121	117	113	116	110	107
<b>Prices paid</b>										
Commodities & services,										
interest, taxes, & wage rates	157	160	164	165	164	164	164	164	165	165
Production items	150	153	155	157	153	154	154	153	153	152
Feed	122	134	135	143	122	123	122	121	120	119
Feeder livestock	164	160	154	153	154	163	165	164	162	159
Seed	141	141	151	153	156	156	156	156	150	150
Fertilizer	144	137	143	147	139	139	139	137	137	135
Agricultural chemicals	119	125	128	129	129	129	129	128	126	128
Fuels & energy	210	202	202	203	198	195	192	195	201	203
Farm & motor supplies	152	152	148	147	147	147	147	147	147	147
Autos & trucks	159	170	182	181	189	189	189	189	189	194
Tractors & self-propelled machinery	165	174	181	180	182	182	182	180	180	180
Other machinery	160	171	180	177	183	183	183	182	182	182
Building & fencing	135	138	138	139	137	137	136	136	136	136
Farm services & cash rent	145	147	151	148	151	152	152	152	152	152
Interest payable per acre on farm real estate debt	241	251	251	251	251	250	250	250	250	250
Taxes payable per acre on farm real estate	131	137	132	132	132	135	135	135	135	135
Wage rates (seasonally adjusted)	143	148	150	150	150	150	150	150	158	158
Production items, interest, taxes, & wage rates	155	159	161	162	159	160	160	160	160	160
<b>Prices received (1910-14=100)</b>	609	613	649	663	618	619	617	611	598	591
<b>Prices paid, etc. (Parity index) (1910-14=100)</b>	1,076	1,105	1,130	1,133	1,125	1,130	1,130	1,130	1,133	1,133
<b>Parity ratio 3/</b>	57	56	57	59	55	55	55	54	53	52

1/ Fresh market for noncitrus and fresh market and processing for citrus. 2/ Includes sweet potatoes and dry edible beans. 3/ Ratio of index of prices received to index of prices paid, taxes, and wage rates. (1910-14=100).  
p = preliminary.



## Prices received by farmers, U.S. average

	Annual*			1984		1985				
	1982	1983	1984	May	Dec	Jan	Feb	Mar	Apr	May p
<b>Crops</b>										
All wheat (\$/bu.)	3.52	3.58	3.46	3.66	3.38	3.38	3.38	3.38	3.43	3.28
Rice, rough (\$/cwt.)	8.36	8.31	8.32	8.24	8.08	8.09	7.72	8.17	8.20	7.79
Corn (\$/bu.)	2.37	2.99	3.05	3.34	2.56	2.64	2.62	2.66	2.70	2.66
Sorghum (\$/cwt.)	4.00	4.89	4.61	5.08	4.16	4.16	4.10	4.23	4.46	4.50
All hay, baled (\$/ton)	69.20	73.70	76.30	85.00	76.00	74.00	75.40	72.50	73.40	78.90
Soybeans (\$/bu.)	5.78	6.73	7.02	8.12	5.82	5.90	5.75	5.88	5.87	5.71
Cotton, Upland (cts./lb.)	55.5	62.9	65.5	72.7	55.8	52.1	48.9	54.5	55.9	55.6
Potatoes (\$/cwt.)	5.10	4.97	6.45	7.04	4.91	5.22	5.18	5.48	5.79	6.16
Dry edible beans (\$/cwt.)	16.80	18.20	20.40	20.40	18.60	18.10	19.20	19.10	19.80	19.70
Apples for fresh use (cts./lb.)	15.3	13.2	17.0	15.1	17.8	14.7	14.5	15.0	14.9	13.6
Pears for fresh use (\$/ton)	300	280	218	95	333	329	376	381	437	518
Oranges, all uses (\$/box) 1/	6.61	3.36	9.01	8.06	8.28	8.37	8.01	7.12	7.06	8.06
Grapefruit, all uses (\$/box) 1/	2.06	1.99	3.05	3.63	4.19	3.86	3.48	2.88	3.39	2.86
<b>Livestock</b>										
Beef cattle (\$/cwt.)	57.00	55.80	57.60	58.60	57.00	57.30	58.50	57.30	56.20	55.50
Calves (\$/cwt.)	60.20	62.10	60.10	60.80	59.50	64.10	65.40	65.90	65.40	64.20
Hogs (\$/cwt.)	54.00	46.20	47.60	47.20	48.60	48.00	48.30	43.60	41.20	40.70
Lambs (\$/cwt.)	54.60	55.50	60.30	59.50	61.90	63.40	66.70	68.00	68.40	68.80
All milk, sold to plants (\$/cwt.)	13.60	13.60	13.40	13.00	14.00	14.00	13.70	13.30	12.90	12.70
Milk, manuf. grade (\$/cwt.)	12.70	12.60	12.50	12.20	13.00	12.90	12.60	12.30	11.90	11.70
Broilers (cts./lb.)	26.8	29.2	33.4	33.8	28.5	30.9	30.5	30.1	28.8	29.1
Eggs (cts./doz.) 2/	58.5	63.0	70.1	69.2	58.4	51.7	52.8	57.6	53.0	50.0
Turkeys (cts./lb.)	37.5	36.5	46.9	42.3	60.5	51.9	41.6	40.7	40.3	39.4
Wool (cts./lb.) 3/	68.0	61.5	78.5	86.5	72.0	68.2	65.3	72.2	74.8	74.6

1/ Equivalent on-tree returns. 2/ Average of all eggs sold by producers including hatching eggs and eggs sold at retail. 3/ Average local market price, excluding incentive payments. \*Calendar year averages. p = preliminary.

## Producer and Consumer Prices

### Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual	1984					1985			
	1984	Apr	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
1967=100										
Consumer price index, all items	311.1	308.8	314.5	315.3	315.3	315.5	316.1	317.4	318.8	320.1
Consumer price index, less food	311.3	308.6	315.2	316.1	316.2	316.2	316.3	317.4	319.1	320.8
All food	302.9	302.3	304.2	304.4	304.1	305.1	307.3	309.5	309.7	309.6
Food away from home	333.4	330.9	335.8	336.6	337.7	339.2	339.9	341.4	342.6	343.9
Food at home	292.6	292.8	293.4	293.4	292.4	293.2	296.1	298.6	298.4	297.7
Meats 1/	268.1	268.9	268.0	267.1	266.1	269.6	270.8	270.6	269.5	266.4
Beef & veal	275.6	280.8	271.9	271.3	271.9	276.2	276.4	275.6	275.3	273.7
Pork	252.5	247.7	257.5	255.0	251.2	254.6	258.5	258.9	256.5	249.0
Poultry	218.5	222.3	217.2	214.0	213.1	213.8	217.4	219.5	217.3	216.7
Fish	386.8	387.3	390.6	390.6	389.2	392.2	406.1	401.4	403.3	402.8
Eggs	209.0	249.6	178.6	177.8	175.6	185.7	161.3	169.7	172.1	169.9
Dairy products 2/	253.2	251.5	254.9	256.1	257.2	258.4	258.8	259.2	258.9	258.3
Fats & oils 3/	288.0	282.4	295.1	294.9	293.0	293.7	295.9	295.1	294.9	294.0
Fruits & vegetables	317.4	315.3	319.7	318.4	314.8	309.7	320.8	333.0	332.1	333.2
Fresh	330.3	326.5	332.5	329.3	323.4	312.6	332.7	354.1	352.1	353.5
Processed	306.1	305.7	308.4	309.2	308.0	309.3	310.6	312.7	313.0	313.8
Cereals & bakery products	305.3	302.8	307.9	308.7	309.0	310.7	312.4	313.7	314.4	314.8
Sugar & sweets	389.1	387.7	393.7	393.3	390.9	391.7	394.5	394.8	394.8	396.1
Beverages, nonalcoholic	443.0	443.6	444.0	446.8	445.5	443.4	449.4	452.7	454.0	454.0
Apparel commodities less footwear	183.2	182.6	187.8	189.2	188.3	185.9	181.9	183.7	187.6	188.2
Footwear	209.5	208.9	211.1	212.9	212.9	211.4	208.6	210.1	213.1	213.2
Tobacco products	310.0	305.9	314.1	314.6	314.7	314.6	321.0	323.2	323.7	324.0
Beverages, alcoholic	222.1	221.3	223.1	224.2	223.8	223.9	224.3	225.8	226.5	226.7

1/ Beef, veal, lamb, pork, and processed meat. 2/ Includes butter. 3/ Excludes butter.

# Producer price indexes, U.S. average (not seasonally adjusted)

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
	1967=100									
Finished goods 1/	280.7	285.2	291.2	291.2	292.3	292.0	292.7	292.5	292.4	293.1
Consumer foods	259.3	261.8	273.5	274.3	272.0	273.6	274.2	275.5	274.2	272.4
Fresh fruit	236.9	251.2	252.8	215.1	261.4	269.7	255.5	285.1	248.7	258.1
Fresh & dried vegetables	246.5	248.9	278.3	283.5	223.9	217.9	242.3	272.8	282.7	274.9
Eggs	178.7	n.a.	210.8	264.4	176.0	187.5	141.9	161.5	167.6	175.1
Bakery products	275.4	285.7	299.0	294.6	304.9	305.0	307.3	308.9	309.1	308.9
Meats	250.6	236.7	236.7	239.4	230.7	236.2	236.7	234.5	230.2	222.7
Beef & veal	245.0	236.7	236.9	247.2	230.4	234.6	233.9	234.9	227.8	220.1
Pork	251.1	227.6	226.2	217.3	219.0	229.8	230.9	220.6	218.2	208.0
Poultry	178.7	185.0	206.1	211.5	202.8	200.1	198.8	196.1	193.3	187.7
Fish	422.4	448.2	485.3	529.0	489.7	539.2	541.2	527.7	527.4	537.6
Dairy products	248.9	250.6	251.7	248.9	257.3	255.9	255.4	254.1	253.4	251.4
Processed fruits & vegetables	274.5	277.4	294.2	295.1	292.3	292.6	296.7	295.4	300.2	298.7
Shortening & cooking oils	234.4	256.1	311.5	302.0	321.4	308.8	301.0	303.9	307.3	310.3
Consumer finished goods less foods	287.8	291.4	294.1	293.5	295.9	294.9	294.8	293.6	293.7	295.8
Beverages, alcoholic	197.8	205.0	209.9	209.8	210.1	209.6	210.1	210.1	210.5	210.3
Soft drinks	319.1	327.4	340.5	337.5	344.8	345.6	345.0	350.3	348.6	347.4
Apparel	194.4	197.4	201.1	200.7	202.2	202.1	202.6	202.8	203.7	203.6
Footwear	245.0	250.1	251.2	251.6	252.4	249.6	252.4	256.6	255.5	255.3
Tobacco products	323.2	365.4	399.5	390.4	402.7	406.9	423.8	420.4	420.6	420.7
Intermediate materials 2/	310.4	312.3	320.0	320.3	320.4	319.9	319.6	318.6	318.6	319.4
Materials for food manufacturing	255.1	258.4	271.7	271.4	269.5	268.2	264.9	264.1	263.5	263.3
Flour	183.4	186.4	185.2	188.2	184.9	183.3	185.6	186.9	186.0	189.8
Refined sugar 3/	161.3	172.0	173.5	174.5	171.6	170.6	168.2	165.1	165.6	165.2
Crude vegetable oils	160.1	193.8	262.1	253.6	272.0	252.0	223.9	235.9	246.0	276.6
Crude materials 4/	319.5	323.6	331.0	339.4	323.2	322.4	319.4	318.3	312.9	311.3
Foodstuffs & feedstuffs	247.8	252.7	259.7	269.7	252.8	253.0	251.3	250.7	243.6	240.5
Fruits & vegetables 5/	253.7	262.1	278.0	263.8	251.2	251.7	258.6	289.2	277.7	277.8
Grains	210.9	240.4	239.7	262.1	219.7	212.5	217.5	217.2	216.1	220.6
Livestock	257.8	243.1	251.8	260.8	247.7	252.3	247.4	249.7	236.6	231.3
Poultry, live	191.9	206.5	240.6	240.8	247.1	231.7	232.7	222.4	215.5	202.3
Fibers, plant & animal	202.9	227.0	228.4	252.3	201.4	203.0	204.5	200.6	200.4	211.3
Milk	282.5	282.0	278.3	272.7	287.6	287.5	284.6	281.0	278.4	271.1
Oilseeds	214.5	245.3	253.3	280.1	222.6	216.2	214.9	211.7	213.0	219.4
Coffee, green	311.5	300.1	308.0	310.2	310.2	310.2	310.2	310.2	310.2	310.2
Tobacco, leaf	269.9	274.2	272.7	261.0	295.6	290.9	284.5	258.5	280.0	279.1
Sugar, raw cane	278.5	315.9	312.0	315.3	306.2	304.5	297.7	293.6	298.0	298.5
All commodities	299.3	303.1	310.3	311.3	310.3	309.8	309.8	309.2	308.7	309.3
Industrial commodities	312.3	315.7	322.6	322.6	323.8	323.0	323.2	322.5	322.6	323.8
All foods 6/	254.4	257.5	269.4	270.6	267.3	269.5	268.5	269.6	268.4	267.1
Farm products & processed foods & feeds	248.9	253.9	262.6	267.3	258.1	258.6	258.0	257.8	255.0	253.3
Farm products	242.4	248.7	255.7	265.4	245.7	245.7	243.2	244.6	238.7	236.9
Processed foods & feeds	251.5	255.9	265.3	267.2	263.8	264.5	265.1	263.9	262.9	261.2
Cereal & bakery products	253.8	261.0	270.4	268.3	273.7	273.6	276.1	278.2	277.8	278.2
Sugar & confectionery	269.7	292.8	301.4	301.9	297.0	295.7	293.1	290.4	291.6	292.8
Beverages	256.9	263.6	273.2	271.4	276.0	275.6	276.7	277.6	277.6	277.2

1/ Commodities ready for sale to ultimate consumer. 2/ Commodities requiring further processing to become finished goods. 3/ All types and sizes of refined sugar. 4/ Products entering market for the first time which have not been manufactured at that point. 5/ Fresh and dried. 6/ Includes all raw, intermediate, and processed foods (excludes soft drinks, alcoholic beverages, and manufactured animal feeds). n.a. = not available.



# Farm-Retail Price Spreads

## Market basket of farm foods

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Market basket 1/</b>										
Retail cost (1967=100)	266.4	268.7	279.3	279.4	278.8	279.9	282.1	284.8	284.2	283.3
Farm value (1967=100)	247.8	242.3	255.7	261.1	248.1	252.7	250.5	250.5	248.2	240.5
Farm-retail spread (1967=100)	277.4	284.3	293.1	290.2	296.9	295.9	300.7	305.0	305.2	308.5
Farm value/retail cost (%)	34.4	33.4	33.9	34.6	33.0	33.4	32.9	32.6	32.4	31.4
<b>Meat products</b>										
Retail cost (1967=100)	270.3	267.2	268.1	268.9	266.1	269.6	270.8	270.6	269.5	266.4
Farm value (1967=100)	251.3	235.8	241.6	250.1	231.8	245.6	242.9	242.0	234.2	221.1
Farm-retail spread (1967=100)	292.4	304.0	299.0	290.9	306.3	297.7	303.4	304.1	310.8	319.4
Farm value/retail cost (%)	50.2	47.6	48.6	50.2	47.0	49.2	48.4	48.2	46.9	44.8
<b>Dairy products</b>										
Retail cost (1967=100)	247.0	250.0	253.2	251.5	257.2	258.4	258.8	259.2	258.9	258.3
Farm value (1967=100)	261.9	262.1	259.0	252.5	268.2	266.7	265.8	261.0	257.6	257.1
Farm-retail spread (1967=100)	233.9	239.3	248.0	250.6	247.6	251.1	252.7	257.6	260.0	259.3
Farm value/retail cost (%)	49.6	49.0	47.8	46.9	48.8	48.3	48.0	47.1	46.5	46.5
<b>Poultry</b>										
Retail cost (1967=100)	194.9	197.5	218.5	222.3	213.1	213.8	217.4	219.5	217.3	216.7
Farm value (1967=100)	201.9	213.0	251.7	216.9	251.0	244.2	245.1	228.2	224.7	216.9
Farm-retail spread (1967=100)	188.1	182.4	186.4	227.5	175.2	184.4	190.5	211.1	210.2	216.5
Farm value/retail cost (%)	50.7	53.1	56.6	48.0	58.2	56.2	55.5	51.1	50.8	49.2
<b>Eggs</b>										
Retail cost (1967=100)	178.7	187.1	209.0	249.6	175.6	185.7	161.3	169.7	172.1	169.9
Farm value (1967=100)	189.8	206.1	229.6	313.2	194.9	189.2	153.7	159.8	180.6	161.6
Farm-retail spread (1967=100)	162.7	159.5	179.2	157.7	147.7	180.6	172.2	184.0	159.8	181.9
Farm value/retail cost (%)	62.8	65.1	64.9	74.2	65.6	60.2	56.3	55.7	62.0	56.2
<b>Cereal &amp; bakery products</b>										
Retail cost (1967=100)	283.4	292.5	305.3	302.8	309.0	310.7	312.4	313.7	314.4	314.8
Farm value (1967=100)	178.8	186.6	191.9	202.9	187.2	182.8	184.3	183.8	188.1	187.1
Farm-retail spread (1967=100)	305.1	314.0	328.8	323.5	334.2	337.2	338.9	340.6	340.5	341.2
Farm value/retail cost (%)	10.8	11.1	10.8	11.5	10.4	10.1	10.1	10.0	10.3	10.2
<b>Fresh fruits</b>										
Retail cost (1967=100)	323.2	303.6	345.3	313.3	366.5	353.5	361.5	382.9	381.2	383.1
Farm value (1967=100)	288.8	220.6	315.1	221.6	343.5	317.7	291.7	338.7	293.6	280.8
Farm-retail spread (1967=100)	338.7	340.8	358.9	354.5	376.8	369.7	392.8	402.7	420.5	429.0
Farm value/retail cost (%)	27.7	22.5	28.3	21.9	29.0	27.8	25.0	27.4	23.9	22.7
<b>Fresh vegetables</b>										
Retail costs (1967=100)	288.9	299.3	331.8	347.4	304.4	294.8	324.5	346.3	342.0	340.8
Farm value (1967=100)	261.3	267.4	299.3	332.3	215.7	216.8	250.7	256.6	305.5	291.8
Farm-retail spread (1967=100)	301.8	314.3	347.1	354.5	346.1	331.5	359.2	389.4	359.2	363.8
Farm value/retail cost (%)	28.9	28.6	28.9	30.6	22.7	23.5	24.7	23.5	28.6	27.4
<b>Processed fruits &amp; vegetables</b>										
Retail cost (1967=100)	286.0	288.8	306.1	305.7	308.0	309.3	310.6	312.7	313.0	313.8
Farm value (1967=100)	321.1	300.5	343.2	339.2	364.2	364.5	364.3	369.4	373.8	376.5
Farm-retail spread (1967=100)	278.2	286.2	297.8	298.3	295.6	297.1	298.7	300.1	299.5	299.9
Farm value/retail costs (%)	20.4	18.9	20.3	20.1	21.4	21.4	21.3	21.4	21.6	21.7
<b>Fats &amp; oils</b>										
Retail cost (1967=100)	259.9	263.1	288.0	282.4	293.0	293.7	295.7	295.1	294.9	294.0
Farm value (1967=100)	207.8	251.0	324.5	418.1	295.3	298.3	281.0	302.8	313.3	322.9
Farm-retail spread (1967=100)	279.9	267.8	273.9	230.2	291.9	291.9	301.4	292.1	287.8	282.9
Farm value/retail cost (%)	22.2	26.5	31.3	41.1	28.2	28.2	26.4	28.5	29.5	30.5

1/ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Note: Annual historical data on farm-retail price spreads may be found in Food Consumption, Prices and Expenditure, Statistical Bulletin 713, ERS, USDA.

## Farm retail price spreads

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Beef, Choice</b>										
Retail price 1/ (cts./lb.)	242.5	238.1	239.6	244.8	236.6	240.3	239.7	238.7	238.6	236.8
Net carcass value 2/ (cts.)	150.7	145.4	147.6	152.9	146.5	149.5	147.0	144.3	137.0	132.9
Net farm value 3/ (cts.)	140.5	136.2	140.0	145.5	139.8	142.5	139.8	137.2	129.7	127.0
Farm-retail spread (cts.)	102.0	101.9	99.6	99.3	96.8	97.8	99.9	101.5	108.9	109.8
Carcass-retail spread 4/ (cts.)	91.8	92.7	92.0	91.9	90.1	90.8	92.7	94.4	101.6	103.9
Farm-carcass spread 5/ (cts.)	10.2	9.2	7.6	7.4	6.7	7.0	7.2	7.1	7.3	5.9
Farm value/retail price (%)	58	57	58	59	59	59	58	57	54	54
<b>Pork</b>										
Retail price 1/ (cts./lb.)	175.4	169.8	162.0	159.8	162.4	163.5	166.0	165.6	164.7	159.3
Wholesale value 2/ (cts.)	121.8	108.9	110.1	107.1	106.8	112.7	110.0	106.9	102.0	97.2
Net farm value 3/ (cts.)	88.0	76.5	77.4	76.0	76.6	79.6	78.0	77.5	69.6	65.8
Farm-retail spread (cts.)	87.4	93.3	84.6	83.8	85.8	83.9	88.0	88.1	95.1	93.5
Wholesale-retail spread 4/ (cts.)	53.6	60.9	51.9	52.7	55.6	50.9	56.0	58.7	62.7	62.1
Farm-wholesale spread 5/ (cts.)	33.8	32.4	32.7	31.1	30.2	33.1	32.0	39.4	32.4	31.4
Farm value/retail price (%)	50	45	48	48	47	49	47	47	42	41

1/ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from BLS.

2/ Value of carcass quantity equivalent to 1 lb. of retail cuts; beef adjusted for value of fat and bone byproducts.

3/ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts.

4/ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. 5/ Represents charges made for livestock marketing, processing, and transportation to city where consumed.

## Livestock and Products

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Broilers</b>										
Federally inspected slaughter, certified (mil. lb.)	12,039	12,389	12,999	1,052.2	1,018.7	995.4	1,154.9	991.3	1,080.5	1,181.0
Wholesale price, 9-city, (cts./lb.) 1/	44.0	49.4	55.6	56.0	52.1	49.0	52.8	51.9	49.7	47.8
Price of grower feed (\$/ton)	210	223	233	246	220	215	219	215	214	207
Broiler-feed price ratio (lb.) 2/	2.6	2.6	2.8	2.7	2.8	2.6	2.8	2.8	2.8	2.8
Stocks beginning of period (mil. lb.)	32.6	22.3	21.2	14.4	22.3	20.5	19.7	21.7	22.9	24.1
Avg. weekly placements of broiler chicks, 19 States (mil.)	80.2	80.4	83.1	86.6	79.0	84.4	85.9	86.3	89.2	90.3
<b>Turkeys</b>										
Federally inspected slaughter, certified (mil. lb.)	2,459	2,563	2,574	163.1	271.7	182.8	157.8	147.8	176.2	173.1
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	60.8	60.5	74.4	67.0	91.5	97.3	74.0	65.6	67.0	64.6
Price of turkey grower feed (\$/ton)	229	247	245	258	225	220	216	216	220	214
Turkey-feed price ratio (lb.) 2/	3.3	3.0	3.8	3.3	5.1	5.5	4.8	3.9	3.7	3.8
Stocks beginning of period (mil. lb.)	238.4	203.9	161.8	144.4	415.4	195.6	125.3	124.1	131.5	131.1
Poults placed in U.S. (mil.)	(4/)	181.8	190.0	19.1	11.9	12.1	15.5	16.3	18.6	20.5
<b>Eggs</b>										
Farm production (mil.)	69,680	68,169	68,193	5,639	5,742	6,037	5,951	5,292	5,932	5,672
Average number of layers (mil.)	286	276	278	277	284	286	284	280	278	274
Rate of lay (eggs per layer on farms)	243	247	245	20.3	20.2	21.1	20.9	18.9	21.4	20.7
Cartoned price, New York, grade A large (cts./doz.) 3/	70.1	75.2	80.9	103.7	73.4	63.8	61.5	58.1	65.5	59.9
Price of laying feed (\$/ton)	190	204	206	214	190	187	189	189	186	186
Egg-feed price ratio (lb.) 2/	6.1	6.2	6.8	8.5	6.5	6.2	5.5	5.6	6.2	5.7
<b>Stocks, first of month</b>										
Shell (thou. cases)	34	34	13	36	37	35	31	30	29	23
Frozen (mil. lb.)	23.7	25.4	11.8	12.0	17.9	16.2	13.4	14.9	13.9	13.5
Replacement chicks hatched (mil.)	444	407	459	47.9	30.1	27.1	28.3	28.5	37.0	41.1

1/ 12-city composite weighted average beginning April 25, 1983. 2/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 3/ Price of cartoned eggs to volume buyers for delivery to retailers. 4/ Not reported.



## Dairy

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Milk prices, Minnesota-Wisconsin,</b>										
3.5% fat (\$/cwt.) 1/	12.49	12.49	12.29	12.07	12.72	12.52	12.40	12.21	11.95	11.62
Price of 16% dairy ration (\$/ton)	177	188	191	199	177	176	177	174	172	171
Milk-feed price ratio (lb.) 2/	1.54	1.45	1.41	1.32	1.62	1.59	1.58	1.57	1.55	1.51
<b>Wholesale prices</b>										
Butter, Grade A Chl. (cts./lb.)	147.7	147.3	148.8	142.9	158.1	145.6	141.5	141.2	141.2	141.9
Am. cheese, Wis.										
assembly pt. (cts./lb.)	138.3	138.3	138.0	135.9	139.7	137.5	136.5	134.3	132.0	129.9
Nonfat dry milk, (cts./lb.) 3/	93.2	93.2	90.9	90.7	91.7	91.5	91.0	90.6	89.7	84.5
<b>USDA net removals</b>										
Total milk equiv. (mil. lb.) 4/	14,281.6	16,813.7	8,644.7	943.8	70.3	397.2	1,374.8	1,383.9	1,354.3	1,496.4
Butter (mil. lb.)	382.0	413.2	202.6	19.2	.5	10.5	50.0	44.6	34.2	36.6
Am. cheese (mil. lb.)	642.5	832.8	447.3	55.0	6.0	18.1	34.6	46.1	65.1	74.4
Nonfat dry milk (mil. lb.)	948.1	1,061.0	678.4	71.1	24.1	36.0	58.8	54.9	63.9	86.8
<b>Milk</b>										
Total milk production (mil. lb.)	135,505	139,672	135,444	11,662	10,529	10,967	11,209	10,566	11,857	12,007
Milk per cow (lb.)	12,306	12,585	12,495	1,079	973	1,014	1,038	977	1,094	1,101
Number of milk cows (thou.)	11,011	11,098	10,840	10,810	10,823	10,814	10,801	10,811	10,839	10,903
Stocks, beginning 4/										
Total (mil. lb.)	18,377	20,054	22,646	23,610	19,252	17,993	16,429	15,812	15,667	15,510
Commercial (mil. lb.)	5,398	4,603	5,234	5,348	4,996	4,798	4,937	5,119	5,101	4,970
Government (mil. lb.)	12,980	15,451	17,412	18,262	14,255	13,195	11,492	10,693	10,566	10,540
Imports, total (mil. lb.) 4/	2,477	2,616	2,741	223	287	296	213	249	180	n.a.
Commercial disappearance										
milk equiv. (mil. lb.)	122,135	122,474	126,763	10,776	10,692	10,466	9,595	9,204	10,543	n.a.
<b>Butter</b>										
Production (mil. lb.)	1,257.0	1,299.2	1,103.3	103.0	79.8	95.1	118.4	107.5	107.1	110.8
Stocks, beginning (mil. lb.)	429.2	466.8	499.4	529.3	374.3	335.9	296.6	277.3	289.4	291.7
Commercial disappearance (mil. lb.)	897.3	881.7	902.3	84.1	84.3	77.9	69.7	60.5	75.5	n.a.
<b>American cheese</b>										
Production (mil. lb.)	2,752.3	2,927.7	2,648.2	244.4	187.1	210.0	223.1	201.7	230.9	251.2
Stocks, beginning (mil. lb.)	889.1	981.4	1,161.5	1,198.6	1,074.3	1,036.2	960.5	936.1	897.7	874.0
Commercial disappearance (mil. lb.)	2,166.8	2,083.3	2,253.6	202.2	186.0	194.3	174.6	163.0	177.6	n.a.
<b>Other cheese</b>										
Production (mil. lb.)	1,789.4	1,891.8	2,025.5	165.5	181.8	186.2	167.5	153.6	180.7	172.6
Stocks, beginning (mil. lb.)	86.6	82.8	104.9	100.2	98.6	98.4	101.4	103.2	100.4	101.3
Commercial disappearance (mil. lb.)	2,044.6	2,134.3	2,310.9	186.3	210.2	215.5	181.4	178.4	198.7	n.a.
<b>Nonfat dry milk</b>										
Production (mil. lb.)	1,400.5	1,499.9	1,158.9	113.1	67.4	85.5	88.4	91.1	104.6	126.0
Stocks, beginning (mil. lb.)	889.7	1,282.0	1,394.9	1,421.0	1,291.6	1,263.9	1,231.7	1,150.3	1,119.8	1,095.1
Commercial disappearance (mil. lb.)	447.7	459.9	496.0	34.0	48.4	26.9	35.5	34.9	34.3	n.a.
<b>Frozen dessert</b>										
production (mil. gal.) 5/	1,178.2	1,224.2	1,230.4	103.3	83.1	75.2	79.5	80.7	100.5	107.0

1/ Manufacturing grade milk. 2/ Pounds of 16% protein ration equal in value to 1 pound of milk. 3/ Prices paid f.o.b. Central States production area, high heat spray process. 4/ Milk-equivalent, fat-basis. 5/ Ice cream, ice milk, and sherbet. n.a. = not available.

## Wool

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>U.S. wool price,</b>										
Boston 1/ (cts./lb.)	247	212	229	245	218	214	205	195	185	182
<b>Imported wool price,</b>										
Boston 2/ (cts./lb.)	262	248	241	252	235	230	226	210	200	183
<b>U.S. mill consumption, scoured</b>										
Apparel wool (thou. lb.)	105,857	126,729	128,982	11,311	8,888	9,381	9,264	8,281	9,825	n.a.
Carpet wool (thou. lb.)	9,825	13,851	13,088	1,345	899	799	1,323	1,205	1,462	n.a.

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2-3/4" and up.  
2/ Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. n.a. = not available.

# Meat animals

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Cattle on feed (7-States)</b>										
Number on feed (thou. head) 1/	7,201	8,316	8,006	7,568	8,221	8,544	8,617	8,169	7,877	7,814
Placed on feed (thou. head)	20,261	19,727	20,772	1,515	1,945	1,624	1,452	1,342	1,594	1,417
Marketings (thou. head)	18,007	18,680	18,785	1,523	1,501	1,414	1,782	1,540	1,559	1,603
Other disappearance (thou. head)	1,139	1,354	1,376	184	121	137	118	94	98	133
Beef steer-corn price ratio,										
Omaha (bu.) 2/	26.5	20.6	21.6	20.4	24.6	25.6	24.8	24.1	22.2	21.5
Hog-corn price ratio, Omaha (bu.) 2/	22.9	15.9	16.1	14.5	18.4	19.6	18.8	18.7	16.4	15.2
<b>Market prices (\$ per cwt.)</b>										
<b>Slaughter cattle:</b>										
Choice steers, Omaha	64.22	62.37	65.34	67.86	64.29	65.32	64.35	62.80	59.58	58.72
Utility cows, Omaha	39.96	39.35	39.81	42.88	36.86	36.56	39.09	42.79	43.16	42.30
Choice vealers, S. St. Paul	77.70	72.97	63.95	77.50	50.00	50.00	52.00	62.19	60.00	60.00
<b>Feeder cattle:</b>										
Choice, Kansas City, 600-700 lb.	64.82	63.70	65.28	67.51	65.42	66.28	68.42	69.08	67.40	68.60
<b>Slaughter hogs:</b>										
Barrows & gilts, 7-markets	55.44	47.71	48.86	48.30	48.34	50.12	49.06	48.98	43.93	41.41
<b>Feeder pigs:</b>										
S. Mo. 40-50 lb. (per head)	51.14	34.03	39.12	51.08	36.62	35.58	44.85	44.02	46.31	43.67
<b>Slaughter sheep &amp; lambs:</b>										
Lambs, Choice, San Angelo	56.44	57.40	62.18	65.88	65.75	65.25	65.12	67.58	70.12	72.50
Ewes, Good, San Angelo	21.80	16.85	20.90	22.25	21.83	30.17	37.25	35.12	37.12	31.97
<b>Feeder lambs:</b>										
Choice, San Angelo	53.31	54.87	61.02	65.75	71.00	69.00	72.31	72.06	73.25	65.50
<b>Wholesale meat prices, Midwest</b>										
Choice steer beef, 600-700 lb.	101.31	97.83	98.01	103.50	99.08	101.22	99.50	97.42	92.00	89.20
Canner & Cutter cow beef	78.96	78.48	74.70	80.51	67.84	70.31	76.26	80.52	80.94	77.22
Pork loins, 8-14 lb. 3/	111.51	—	96.36	91.86	87.37	95.40	97.69	93.49	84.22	79.90
Pork bellies, 12-14 lb.	76.54	60.58	60.08	58.28	60.49	64.31	67.50	64.14	64.25	58.83
Hams, skinned, 14-17 lb.	91.47	75.60	78.22	77.52	99.75	90.86	72.86	74.11	70.44	65.18
<b>Commercial slaughter (thou. head)*</b>										
Cattle	35,843	36,649	37,570	2,855	3,086	2,944	3,278	2,776	2,882	2,971
Steers	17,277	17,486	17,474	1,400	1,352	1,255	1,523	1,291	1,349	1,377
Heifers	10,394	10,758	10,691	763	875	895	962	856	905	979
Cows	7,354	7,597	8,617	628	795	735	732	578	569	554
Bulls & stags	818	808	788	64	64	59	61	51	59	61
Calves	3,021	3,076	3,292	248	298	268	288	253	279	270
Sheep & lambs	6,449	6,619	6,758	616	541	530	567	484	578	534
Hogs	82,190	87,584	85,156	6,953	7,597	6,994	7,342	6,397	7,134	7,381
<b>Commercial production (mil. lb.)</b>										
Beef	22,366	23,058	23,410	1,776	1,924	1,830	2,066	1,768	1,857	1,935
Veal	423	429	477	36	43	39	42	37	40	41
Lamb & mutton	356	368	372	34	30	30	32	28	33	30
Pork	14,121	15,120	14,718	1,233	1,326	1,220	1,281	1,105	1,232	1,288
	Annual			1983			1984			
	1982	1983	1984	IV	I	II	III	IV	I	II
<b>Cattle on feed (13-States)</b>										
Number on feed (thou. head) 1/	9,028	10,271	9,908	8,465	9,908	9,340	8,700	9,000	10,635	9,676
Placed on feed (thou. head)	24,414	23,776	24,884	7,272	5,511	5,562	6,252	7,559	5,321	—
Marketings (thou. head)	21,799	22,548	22,525	5,436	5,714	5,620	5,684	5,507	5,907 5/	5,908
Other disappearance (thou. head)	1,373	1,591	1,632	393	365	582	268	417	373	—
<b>Hogs &amp; pigs (10-States) 4/</b>										
Inventory (thou. head) 1/	42,890	44,150	42,420	46,030	44,150	40,070	41,915	43,180	42,420	39,530
Breeding (thou. head) 1/	5,708	5,638	5,348	5,839	5,638	5,446	5,771	5,550	5,348	5,215
Market (thou. head) 1/	37,182	38,512	37,072	40,191	38,512	34,624	36,144	37,630	37,072	34,315
Farrowings (thou. head)	9,062	9,735	9,020	2,377	1,964	2,481	2,259	2,316	1,935 3/	2,366
Pig crop (thou. head)	66,797	72,733	67,680	17,663	14,288	18,814	17,158	17,420	14,538	—

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live-weight. 3/ Beginning January 1984 prices are for 14-17 lbs. 4/ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). 5/ Intentions. \*Classes estimated.



# Crops and Products

## Food grains

	Marketing year 1/			1984			1985			
	1981/82	1982/83	1983/84	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Wholesale prices</b>										
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	4.27	3.94	3.83	3.93	3.85	3.76	3.76	3.74	3.67	3.62
Wheat, DNS, Minneapolis (\$/bu.) 2/	4.17	3.94	4.21	4.28	3.64	3.48	3.47	3.52	3.55	3.64
Rice, S.W. La. (\$/cwt.) 3/	20.20	18.00	19.38	19.25	18.00	18.00	18.00	18.00	18.00	18.00
<b>Wheat</b>										
Exports (mil. bu.)	1,771	1,509	1,429	105	100	134	109	93	65	76
Mill grind (mil. bu.)	631	656	694	58	56	53	57	57	59	n.a.
Wheat flour production (mil. cwt.)	280	292	308	26	25	23	25	26	26	n.a.

	Marketing year 1/			1983		1984			1985	
	1981/82	1982/83	1983/84	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
<b>Wheat</b>										
Stocks, beginning (mil. bu.)	989	1,159	1,515	1,515	2,955	2,326	1,756	1,398	2,740	2,141.3
<b>Domestic use</b>										
Food (mil. bu.)	602	616	635	210	161	163	102	212	167	161
Feed & seed (mil. bu.) 4/	254	318	477	316	118	44	31	395	59	48
Exports (mil. bu.)	1,771	1,509	1,429	475	362	364	226	645	374	266

1/ Beginning June 1 for wheat and August 1 for rice. 2/ Ordinary protein. 3/ Long-grain, milled basis. 4/ Feed use approximated by residual. n.a. = not available.

## Feed grains

	Marketing year 1/			1984			1985			
	1981/82	1982/83	1983/84	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Wholesale prices</b>										
Corn, No. 2 yellow, St. Louis (\$/bu.)	2.61	2.98	3.45	3.61	2.77	2.75	2.86	2.84	2.86	2.88
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	4.29	4.96	5.13	5.36	4.28	4.32	4.48	4.33	4.58	4.76
Barley, feed, Minneapolis (\$/bu.)	2.21	1.76	2.48	2.74	2.06	1.88	1.98	1.99	1.97	2.05
Barley, malting, Minneapolis (\$/bu.)	3.06	2.53	2.84	3.04	2.45	2.36	2.46	2.47	2.51	2.52
<b>Exports</b>										
Corn (mil. bu.)	1,967	1,870	1,865	175	246	208	209	167	172	169
Feed grains (mil. metric tons) 2/	58.4	54.0	55.8	5.3	7.0	6.2	6.2	5.3	5.3	4.9

	Marketing year 1/			1983		1984			1985	
	1981/82	1982/83	1983/84	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
<b>Corn</b>										
Stocks, beginning (mil. bu.)	1,034	2,174	3,120	4,924	3,120	4,913	3,251	2,145	723	5,856
<b>Domestic use:</b>										
Feed (mil. bu.)	4,202	4,522	3,736	891	1,634	969	580	553	1,680	1,151
Food, seed, ind. (mil. bu.)	812	898	973	373	220	184	187	383	235	197
<b>Feed grains 2/</b>										
Stocks, beginning (mil. metric tons)	34.6	68.2	97.3	146.4	108.0	154.9	104.3	70.6	44.1	181.9
<b>Domestic use:</b>										
Feed (mil. metric tons)	128.5	139.5	117.4	29.5	49.3	29.4	18.1	20.3	53.5	35.6
Food, seed, ind. (mil. metric tons)	25.8	27.9	29.8	11.0	6.6	5.9	6.1	11.2	7.1	6.3

1/ Beginning October 1 for corn and sorghum; June 1 for oats and barley. 2/ Aggregated data for corn, sorghum, oats, and barley.

## Fats and oils

	Marketing year 1/			1984			1985			
	1981/82	1982/83	1983/84	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Soybeans</b>										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) 2/	6.24	6.11	7.78	7.87	6.20	5.97	5.95	5.88	5.92	6.00
Crushings (mil. bu.)	1,029.7	1,108.0	983	74.6	98.9	101.1	94.5	80.8	85.6	83.2
Exports (mil. bu.)	929.1	905.2	740.3	68.5	93.4	87.3	72.5	80.6	67.9	65.4
<b>Soybean oil</b>										
Wholesale price, crude, Decatur (cts./lb.)	19.0	20.6	30.55	32.08	31.71	28.44	28.01	29.64	31.33	33.63
Production (mil. lb.)	10,979.4	12,040.4	10,872.0	846.7	1,070.2	1,095.5	1,027.4	878.9	946.0	917.1
Domestic disp. (mil. lb.)	9,536.3	9,857.3	9,598	822.9	872.7	708.8	854.4	840.3	769.4	894.8
Exports (mil. lb.)	2,076.3	2,024.7	1,814	163.3	214.6	189.6	66.7	198.3	184.8	66.8
Stocks, beginning (mil. lb.)	1,736.1	1,102.5	1,261	1,519.6	597.2	580.1	777.1	883.5	723.8	715.6
<b>Soybean meal</b>										
Wholesale price, 44% protein, Decatur (\$/ton)	182.52	187.19	188.21	190.0	135.2	136.75	135.2	125.25	125.9	117.90
Production (thou. ton)	24,634.4	26,713.6	22,756.2	1,760.3	2,326.0	2,381.0	2,226.4	1,887.2	2,023.6	1,958.3
Domestic disp. (thou. ton)	17,714.4	19,306.0	17,541.0	1,402.3	1,801.7	1,694.2	1,728.3	1,440.9	1,496.8	1,583.7
Exports (thou. ton)	6,907.5	7,108.7	5,436.1	400.1	474.7	635.7	515.3	431.8	416.3	387.4
Stocks, beginning (thou. ton)	162.7	175.2	474	460.7	236.1	285.7	336.8	319.6	334.1	444.6
<b>Margarine, wholesale price, Chicago (cts./lb.)</b>	41.4	41.4	46.3	54.85	55.00	55.25	51.50	52.50	54.00	56.00

1/ Beginning September 1 for soybeans; October 1 for soybean meal and oil; calendar year for margarine. 2/ Beginning April 1, 1982, prices based on 30-day delivery, using upper end of the range.

## Cotton

	Marketing year 1/			1984			1985			
	1981/82	1982/83	1983/84	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>U.S. price, SLM, 1-1/16 in. (cts./lb.) 2/</b>	60.5	63.1	73.1	75.6	60.4	60.5	60.0	58.6	60.2	61.7
<b>Northern Europe prices:</b>										
Index (cts./lb.) 3/	73.8	76.7	87.6	89.0	72.6	72.0	71.4	69.2	67.3	66.3
U.S. M 1-3/32" (cts./lb.) 4/	75.9	78.0	87.1	89.6	73.3	74.0	74.7	72.9	73.7	75.9
U.S. mill consumption (thou. bales)	5,263.8	5,512.8	5,883.5	454.8	394.9	426.8	404.9	425.0	535.4	423.2
Exports (thou. bales)	6,567.3	5,206.8	6,786.0	762.6	507.0	660.0	835.6	810.6	648.5	577.8

1/ Beginning August 1. 2/ Average spot market. 3/ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. 4/ Memphis territory growths.

## Fruit

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Producer price indexes</b>										
Fresh fruit (1967=100)	235.4	250.6	260.1	213.2	261.0	269.7	255.5	285.1	248.7	258.1
Dried fruit (1967=100)	409.7	409.3	384.4	408.8	353.2	353.2	353.1	355.8	355.8	356.2
Canned fruit & juice (1967=100)	283.7	286.8	312.5	309.4	314.0	315.9	319.9	323.4	326.1	325.5
Frozen fruit & juice (1967=100)	305.5	300.9	350.5	349.9	363.5	361.8	361.5	372.0	373.1	373.3
<b>F.o.b. shipping point prices</b>										
Apples, Yakima Valley (\$/ctn.) 1/	n.a.	n.a.	n.a.	12.38	12.80	12.50	12.25	14.00	15.38	16.38
Pears, Yakima Valley (\$/box) 2/	n.a.	n.a.	n.a.	7.63	12.70	12.88	12.83	15.13	15.00	15.50
Oranges, U.S. avg. (\$/box) 3/	11.10	14.40	15.40	13.10	19.00	18.41	17.81	18.97	15.68	15.14
Grapefruit, U.S. avg. (\$/box) 3/	9.03	9.13	10.00	10.50	11.12	11.34	11.11	13.18	11.53	11.24
	Year ending			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Stocks, ending</b>										
Fresh apples (mil. lb.)	3,082.3	2,980.1	3,171.5	912.2	3,808.9	3,171.5	2,464.2	1,858.1	1,372.3	910.4
Fresh pears (mil. lb.)	180.9	250.6	184.9	80.5	243.5	180.8	134.2	89.9	59.2	34.1
Frozen fruit (mil. lb.)	627.5	644.7	694.5	444.4	734.1	690.5	623.6	569.2	512.1	456.2
Frozen fruit juices (mil. lb.)	1,157.6	924.9	941.9	1,374.7	891.6	964.9	1,195.6	1,385.8	1,472.4	1,579.6

1/ Red Delicious, Washington, extra fancy, carton tray pack, 80-113's. 2/ D'Anjou, Washington, standard box wrapped, U.S. No. 1, 90-135's. 3/ F.O.B. packed fresh. n.a. = not available.



## Vegetables

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Wholesale prices										
Potatoes, white, f.o.b. East (\$/cwt.)	6.05	7.76	8.16	8.66	5.44	5.53	5.55	6.15	6.26	6.92
Iceberg lettuce (\$/crtm.) 1/	5.92	6.29	5.08	3.12	3.75	5.60	7.75	4.31	4.52	4.87
Tomatoes (\$/crtm.) 2/	7.40	8.69	8.52	8.60	4.39	5.25	9.56	11.00	17.00	11.40
Wholesale price index, 10 canned veg. (1977=100)	137	137	145	144	144	144	154	152	142	143
Grower price index, fresh commercial veg. (1977=100)	120	129	133	136	96	108	126	137	158	118

1/ Std. carton 24's f.o.b. shipping point. 2/ 5 x 6 - 6 x 6, f.o.b. Fla-Cal.

## Tobacco

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Prices at auctions 1/										
Flue-cured (cts./lb.)	178.6	177.9	181.0	—	172.0	—	—	—	—	—
Burley (cts./lb.)	180.3	179.5	187.6	—	188.0	187.5	187.5	186.0	—	—
Domestic consumption 2/										
Cigarettes (bil.)	634.0	600.0	600.4	51.0	57.5	42.9	58.2	55.7	n.a.	n.a.
Large cigars (mil.)	3,667	3,605	3,491	260.5	261.7	277.4	234.9	209.6	n.a.	n.a.

1/ Crop year July-June for flue-cured, October-September for burley. 2/ Taxable removals. n.a. = not available.

## Sugar

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
U.S. raw sugar price, N.Y. (cts./lb.) 1/	19.92	22.04	21.74	22.03	21.40	21.10	20.72	20.38	20.91	20.99
U.S. deliveries (thou. short tons) 2/	9,153	8,812	8,435	n.a.	n.a.	2,059	n.a.	n.a.	n.a.	n.a.

1/ Spot price reported by (New York) Coffee, Sugar, and Cocoa Exchange, Inc. 2/ Raw value. Quarterly data shown at end of quarter in March, June, Sept., & Dec. Excludes Hawaii. n.a. = not available.

## Coffee

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr p
Composite green price, N.Y. (cts./lb.)	132.00	131.51	142.95	145.46	138.26	136.12	137.91	138.29	136.31	134.61
Imports, green bean equivalent (mil. lb.) 1/	2,352	2,260	2,414	260	150	160	230	235	227	191 F

	Annual			1983		1984		1985	
	1982	1983	1984	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec
Roastings (mil. lb.) 2/	2,293	2,238	2,287	549	650	575	518	557	637

1/ Green and processed coffee. 2/ Instant soluble and roasted coffee. F = Forecast. p = preliminary.

# Supply and Utilization: Crops

## Supply and utilization: domestic measure<sup>1</sup>

	Area		Yield	Production	Total supply 2/	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 3/
	Planted	Harvested									
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Wheat</b>											
1981/82	88.3	80.6	34.5	2,785	3,777	135	712	1,771	2,618	1,159	3.65
1982/83	86.2	77.9	35.5	2,765	3,932	195	713	1,509	2,417	1,515	3.55
1983/84*	76.4	61.4	39.4	2,420	3,939	376	735	1,429	2,540	1,399	3.53
1984/85*	79.2	66.9	38.8	2,595	4,002	450	735	1,415	2,600	1,402	3.38
1985/86*	—	—	—	2,525	3,850	350	750	1,200	2,300	1,550	3.20-3.40
	Mil. acres	lb/acre					Mil. cwt (rough equiv.)				\$/cwt
<b>Rice</b>											
1981/82	3.83	3.79	4,819	182.7	199.6	4/ 9.0	59.6	82.0	150.6	49.0	9.05
1982/83	3.30	3.26	4,710	153.6	203.4	4/ 8.9	54.0	68.9	131.8	71.5	8.11
1983/84*	2.19	2.17	4,598	99.7	171.9	4/ 5.6	49.1	70.3	125.0	46.9	8.50
1984/85*	2.80	2.78	4,926	137.0	185.4	4/ 5.0	53.7	62.0	120.7	64.7	8.00-8.50
1985/86*	—	—	—	125.0	191.7	4/ 5.0	55.0	59.0	119.0	72.7	7.80-8.80
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Corn</b>											
1981/82	84.1	74.5	108.9	8,119	9,154	4,202	812	1,967	6,980	2,174	2.50
1982/83	81.9	72.7	113.2	8,235	10,410	4,522	898	1,870	7,290	3,120	2.68
1983/84*	60.2	51.5	81.1	4,175	7,297	3,736	973	1,865	6,574	723	3.25
1984/85*	80.4	71.8	106.6	7,656	8,381	4,200	1,050	1,950	7,200	1,181	2.65
1985/86*	—	—	—	7,875	9,057	4,300	1,110	1,700	7,110	1,947	2.50-2.70
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Sorghum</b>											
1981/82	15.9	13.7	64.0	876	984	428	11	249	688	296	2.39
1982/83	16.0	14.1	59.1	835	1,131	507	10	214	731	400	2.52
1983/84*	11.9	10.0	48.7	488	888	381	10	246	637	251	2.84
1984/85*	17.2	15.3	56.4	866	1,117	525	20	275	820	297	2.35
1985/86*	—	—	—	885	1,182	525	20	275	820	362	2.30-2.50
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Barley</b>											
1981/82	9.6	9.0	52.4	474	620	198	174	100	473	148	2.45
1982/83	9.5	9.0	57.2	516	675	241	170	47	458	217	2.22
1983/84*	10.4	9.7	52.3	509	733	283	169	92	544	189	2.50
1984/85*	11.9	11.2	53.4	597	796	300	170	80	550	246	2.30
1985/86*	—	—	—	625	881	300	170	75	545	336	2.10-2.30
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Oats</b>											
1981/82	13.6	9.4	54.2	510	688	453	76	7	536	152	1.89
1982/83	14.0	10.3	57.8	593	749	441	85	3	529	220	1.49
1983/84*	20.3	9.1	52.6	477	727	466	78	2	546	181	1.67
1984/85*	12.4	8.1	58.1	472	688	430	80	1	511	177	1.70
1985/86*	—	—	—	510	707	425	80	2	507	200	1.45-1.65
	Mil. acres	Bu/acre					Mil. bu				\$/bu
<b>Soybeans</b>											
1981/82	67.8	66.4	30.1	2,000	2,318	5/ 93	1,030	929	2,052	266	6.04
1982/83	70.9	69.4	31.5	2,190	2,444	5/ 86	1,108	905	2,099	345	5.69
1983/84*	63.8	62.5	26.2	1,636	1,981	5/ 82	983	743	1,805	176	7.81
1984/85*	67.7	66.1	28.2	1,861	2,037	5/ 87	1,015	660	1,762	275	5.85
1985/86*	—	—	—	1,925	2,200	5/ 85	1,020	675	1,780	420	5.25-5.75
	Mil. acres	Bu/acre					Mil. lbs				¢/lb
<b>Soybean oil</b>											
1981/82	—	—	—	10,979	12,715	—	9,535	2,077	11,612	1,103	19.0
1982/83	—	—	—	12,041	13,144	—	9,858	2,025	11,883	1,261	20.6
1983/84*	—	—	—	10,872	12,133	—	9,598	1,814	11,412	721	30.6
1984/85*	—	—	—	11,324	12,045	—	9,750	1,650	11,400	645	31.0
1985/86*	—	—	—	11,220	11,865	—	9,850	1,350	11,200	665	26.0-32.0
							Thou. tons				\$/ton
<b>Soybean meal</b>											
1981/82	—	—	—	24,634	24,797	—	17,714	6,908	24,622	175	183
1982/83	—	—	—	26,714	26,889	—	19,306	7,109	26,415	474	187
1983/84*	—	—	—	22,758	23,232	—	17,618	5,359	22,977	255	188
1984/85*	—	—	—	24,265	24,520	—	19,300	4,550	23,850	670	122
1985/86*	—	—	—	24,230	24,900	—	19,750	4,500	24,200	700	95-125

See footnotes at end of table.



# Supply and utilization: domestic measure, continued

	Area		Yield	Production	Total supply 2/	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 3/
	Planted	Harvested									
	Mill. acres		lb/acre								¢/lb
Cotton											
1981/82	14.3	13.8	542	15.6	18.3	—	5.3	6.6	11.8	6/ 6.6	54.0
1982/83	11.3	9.7	590	12.0	18.6	—	5.5	5.2	10.7	6/ 7.9	59.1
1983/84*	7.9	7.3	508	7.8	15.7	—	5.9	6.8	12.7	6/ 2.8	66.0
1984/85*	11.1	10.4	600	13.0	15.8	—	5.3	6.5	11.8	6/ 4.0	—
1985/86*	—	—	—	12.0	16.0	—	5.0	5.0	10.0	6/ 6.2	—
Supply and utilization: metric measure 7/											
	Mill. hectares		Metric tons/ha								\$/metric ton
Wheat											
1981/82	35.7	32.6	2.32	75.8	102.8	3.7	19.4	48.2	71.3	31.5	134
1982/83	34.8	31.5	2.39	75.3	107.0	5.3	19.4	41.1	65.8	41.2	130
1983/84*	30.9	24.8	2.65	65.9	107.2	10.2	20.0	38.9	69.1	38.1	130
1984/85*	32.1	27.1	2.61	70.6	108.9	12.2	20.0	38.9	70.7	38.1	124
1985/86*	—	—	—	68.7	104.7	9.5	20.4	32.6	62.6	42.2	117-125
Mill. metric tons (rough equiv.)											
Rice											
1981/82	1.5	1.5	5.40	8.3	9.0	4/ 0.4	2.7	3.7	6.8	2.2	200
1982/83	1.3	1.3	5.28	7.0	9.2	4/ 0.4	2.5	3.1	6.0	3.2	179
1983/84*	0.9	0.9	5.15	4.5	7.8	4/ 0.2	2.2	3.2	5.7	2.1	187
1984/85*	1.1	1.1	5.52	6.2	8.4	4/ 0.3	2.4	2.8	5.5	2.9	176-187
1985/86*	—	—	—	5.7	8.7	4/ 0.3	2.5	2.7	5.4	3.3	172-194
Mill. metric tons											
Corn											
1981/82	34.0	30.1	6.85	206.2	232.5	106.7	20.6	50.0	177.3	55.2	98
1982/83	33.1	29.4	7.12	209.2	264.4	114.9	22.8	47.5	185.2	79.2	106
1983/84*	24.4	20.8	5.10	106.0	185.4	94.9	24.7	47.4	167.0	18.4	128
1984/85*	32.5	29.1	6.68	194.5	212.9	106.7	26.7	49.5	182.9	30.0	104
1985/86*	—	—	—	200.0	230.1	109.2	28.2	43.2	180.6	49.5	98-106
Feed Grain											
1981/82	49.9	43.1	5.71	246.2	281.1	128.5	25.8	58.6	212.9	68.2	—
1982/83	49.1	42.9	5.83	250.2	318.7	139.4	28.0	54.0	221.4	97.3	—
1983/84*	41.6	32.5	4.20	136.4	234.4	117.5	29.8	55.7	202.9	31.5	—
1984/85*	49.3	43.1	5.48	236.3	268.6	132.8	32.0	58.3	223.1	45.5	—
1985/86*	—	—	—	243.5	289.5	135.3	33.6	51.8	220.7	68.9	—
Soybeans											
1981/82	27.4	26.9	2.03	54.4	63.1	5/ 2.5	28.0	25.3	55.8	7.2	222
1982/83	28.7	28.1	2.15	59.6	66.5	5/ 2.4	30.2	24.6	57.1	9.4	209
1983/84*	25.8	25.3	1.23	44.5	53.9	5/ 2.2	26.8	20.2	49.1	4.8	286
1984/85*	27.4	26.7	1.14	50.6	55.4	5/ 2.4	27.6	17.9	47.9	7.5	214
1985/86*	—	—	—	52.3	59.8	5/ 2.3	27.7	18.4	48.4	11.4	193-211
Soybean oil											
1981/82	—	—	—	4.98	5.77	—	4.33	.94	5.27	.50	419
1982/83	—	—	—	5.46	5.96	—	4.47	.92	5.39	.57	454
1983/84*	—	—	—	4.93	5.50	—	4.35	.82	5.17	.32	675
1984/85*	—	—	—	5.14	5.46	—	4.42	.75	5.17	.10	683
1985/86*	—	—	—	5.08	5.38	—	4.46	.61	5.08	.30	573-705
Soybean meal											
1981/82	—	—	—	22.36	22.51	—	16.08	6.27	22.35	.16	201
1982/83	—	—	—	24.24	24.39	—	17.52	6.45	23.96	.43	206
1983/84*	—	—	—	20.65	21.08	—	15.98	4.86	20.84	.23	207
1984/85*	—	—	—	22.01	22.24	—	17.50	4.12	21.63	.60	134
1985/86*	—	—	—	21.98	22.58	—	17.87	4.08	21.95	.63	104-137
\$ /kg											
Cotton											
1981/82	5.8	5.7	.60	3.41	3.99	—	1.15	1.43	2.58	6/ 1.44	1.19
1982/83	4.6	3.9	.66	2.60	4.05	—	1.20	1.13	2.33	6/ 1.73	1.30
1983/84*	3.2	3.0	.57	1.69	3.42	—	1.29	1.48	2.77	6/ .60	1.46
1984/85*	4.5	4.2	.67	2.83	3.43	—	1.15	1.41	2.57	6/ .88	—
1985/86*	—	—	—	2.62	3.50	—	1.09	1.09	2.18	6/ 1.34	—

\*June 10, 1985 Supply and Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean meal, and soybean oil. 2/ Includes imports. 3/ Season average. 4/ Statistical discrepancy. 5/ Includes seed. 6/ Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. 7/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton.

# General Economic Data

## Gross national product and related data

	Annual			1984				1985
	1982	1983	1984	I	II	III	IV	I r
\$ Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product 1/	3,069.3	3,304.8	3,662.8	3,553.3	3,644.7	3,694.6	3,758.7	3,817.1
Personal consumption expenditures	1,984.9	2,155.9	2,341.8	2,276.5	2,332.7	2,361.4	2,396.5	2,446.1
Durable goods	245.1	279.8	318.8	310.9	320.7	317.2	326.3	334.5
Nondurable goods	757.5	801.7	856.9	841.3	858.3	861.4	866.5	877.0
Clothing & shoes	118.8	127.0	140.2	136.1	142.2	139.3	143.2	145.0
Food & beverages	392.8	416.5	443.6	433.9	442.1	448.6	449.8	457.7
Services	982.2	1,074.4	1,166.1	1,124.4	1,153.7	1,182.8	1,203.8	1,234.6
Gross private domestic investment	414.9	471.6	637.8	623.8	627.0	662.8	637.8	651.2
Fixed investment	441.0	485.1	579.6	550.0	576.4	591.0	601.1	610.6
Nonresidential	349.6	352.9	425.7	398.8	420.8	435.7	447.7	455.3
Residential	91.4	132.2	153.9	151.2	155.6	155.3	153.5	155.3
Change in business inventories	-26.1	-13.5	58.2	73.8	50.6	71.8	36.6	40.6
Net exports of goods & services	19.0	-8.3	-64.2	-51.5	-58.7	-90.6	-56.0	-69.1
Exports	348.4	336.2	364.3	358.9	362.4	368.6	367.2	363.5
Imports	329.4	344.4	428.5	410.4	421.1	459.3	423.2	432.6
Government purchases of goods & services	650.5	685.5	747.4	704.4	743.7	761.0	780.5	789.0
Federal	258.9	269.7	295.4	267.6	296.4	302.0	315.7	316.8
State & local	391.5	415.8	452.0	436.8	447.4	458.9	464.8	472.2
1972 \$Bil. (Quarterly data seasonally adjusted at annual rates)								
Gross national product	1,480.0	1,534.7	1,639.3	1,610.9	1,638.8	1,645.2	1,662.4	1,665.4
Personal consumption expenditures	963.3	1,009.2	1,062.4	1,044.1	1,064.2	1,065.9	1,075.4	1,089.2
Durable goods	140.5	157.5	178.0	173.7	178.6	177.0	182.9	186.8
Nondurable goods	363.1	376.3	393.5	387.1	396.6	395.5	395.0	398.4
Clothing & shoes	84.2	88.5	96.5	94.2	99.1	95.9	96.9	97.6
Food & beverages	182.3	188.9	193.4	189.7	193.6	195.6	194.7	196.9
Services	459.8	475.4	490.8	483.4	488.9	493.5	497.5	504.0
Gross private domestic investment	194.3	221.0	289.9	285.5	283.9	300.2	289.9	294.1
Fixed investment	204.7	224.6	265.1	253.9	263.7	269.6	273.1	274.6
Nonresidential	166.9	171.0	204.9	193.3	202.9	209.5	213.8	215.2
Residential	37.9	53.7	60.2	60.6	60.8	60.1	59.2	59.4
Change in business inventories	-10.4	-3.6	24.8	31.6	20.3	30.6	16.8	19.6
Net exports of goods & services	29.7	12.6	-15.0	-8.3	-11.4	-27.0	-13.4	-27.0
Exports	147.6	139.5	146.0	144.9	144.7	147.4	147.1	144.8
Imports	118.0	126.9	161.1	153.2	156.2	174.4	160.5	171.8
Government purchases of goods & services	292.7	291.9	302.1	289.5	302.1	306.1	310.5	309.1
Federal	117.0	116.2	122.5	112.2	123.2	125.0	129.6	128.2
State & local	175.7	175.7	179.6	177.3	178.9	181.1	180.9	181.0
New plant & equipment expenditures (\$bil.)	310.58	304.78	353.54	337.48	348.34	361.12	367.21	380.05
Implicit price deflator for GNP (1972=100)	207.38	215.34	223.43	220.58	222.40	224.57	226.10	229.20
Disposable income (\$bil.)	2,180.5	2,340.1	2,576.8	2,502.2	2,554.3	2,606.4	2,644.5	2,653.4
Disposable income (1972 \$bil.)	1,058.3	1,095.4	1,169.0	1,147.6	1,165.3	1,176.5	1,186.7	1,181.5
Per capita disposable income (\$)	9,385	9,977	10,887	10,608	10,806	11,000	11,133	11,145
Per capita disposable income (1972 \$)	4,555	4,670	4,939	4,865	4,930	4,965	4,996	4,963
U.S. population, total, incl. military abroad (mil.)	232.3	234.5	236.7	235.9	236.4	237.0	237.6	238.1
Civilian population (mil.)	230.2	232.3	234.4	233.7	234.2	234.8	235.3	235.9

See footnotes at end of next table.



## Selected monthly indicators

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr p
Monthly data seasonally adjusted except as noted										
Industrial production, total 2/ (1967=100)	138.6	147.6	163.3	162.1	164.8	164.8	165.1	165.3	165.8	165.4
Manufacturing (1967=100)	137.6	148.2	164.8	163.4	166.6	166.6	166.6	166.5	167.1	166.7
Durable (1967=100)	124.7	134.5	154.6	152.6	157.6	157.6	157.6	158.0	159.0	158.4
Nondurable (1967=100)	156.2	168.1	179.4	179.1	179.6	179.6	179.6	178.9	178.9	178.8
Leading economic indicators 1/ 3/ (1967=100)	136.8	156.0	165.8	168.1	165.3	164.3	166.4	167.6	167.7	167.4
Employment 4/ (mil. persons)	99.5	100.8	105.0	104.4	105.9	106.3	106.4	106.7	107.1	106.9
Unemployment rate 4/ (%)	9.7	9.6	7.5	7.8	7.1	7.2	7.4	7.3	7.3	7.3
Personal income 1/ (\$ bil. annual rate)	2,584.6	2,744.2	3,012.1	2,968.5	3,097.5	3,111.8	3,127.2	3,139.6	3,156.4	3,174.2
Hourly earnings in manufacturing 4/ 5/ (\$)	8.49	8.83	9.17	9.11	9.30	9.33	9.42	9.42	9.43	9.48
Money stock-M1 (daily avg.) (\$bil.) 2/	6/ 480.8	6/ 528.0	6/ 558.5	539.2	553.8	558.5	562.7	569.4	572.1	575.0
Money stock-M2 (daily avg.) (\$bil.) 2/	6/ 1,954.9	6/ 2,188.8	6/ 2,371.4	2,241.1	2,346.3	2,371.7	2,398.9	2,420.9	2,429.0	2,427.6
Three-month Treasury bill rate 2/ (%)	10.686	8.63	9.98	9.69	8.79	8.16	7.76	8.22	8.57	8.00
Aaa corporate bond yield (Moody's) 5/ 7/ (%)	13.79	12.04	12.71	12.81	12.29	12.13	12.08	12.13	12.56	12.23
Interest rate on new home mortgages 5/ 8/ (%)	15.14	12.57	12.38	12.04	12.75	12.55	12.27	12.21	11.92	12.05
Housing starts, private (incl. farm) (thou.)	1,062	1,703	1,750	1,949	1,600	1,630	1,849	1,647	1,883	1,913
Auto sales at retail, total 1/ (mil.)	8.0	9.2	10.4	10.3	10.0	10.9	10.9	11.0	10.7	11.1
Business sales, total 1/ (\$ bil.)	344.7	368.7	411.7	409.3	417.6	421.6	417.4	418.7	420.2 p	--
Business inventories, total 1/ (\$ bil.)	9/ 509.2	9/ 520.3	9/ 573.4	545.9	571.2	573.4	575.8	578.9	578.2 p	--
Sales of all retail stores (\$ bil.) 10/	89.3	97.9	108.1	107.4	110.3	110.5	111.0	112.1	111.3 p	112.2
Durable goods stores (\$ bil.)	28.1	33.0	38.7	38.3	39.9	40.3	40.6	41.1	40.6 p	40.8
Nondurable goods stores (\$ bil.)	61.3	64.8	69.4	69.1	70.3	70.2	70.4	71.0	70.7 p	71.4
Food stores (\$ bil.)	20.4	21.2	22.5	22.4	22.8	22.6	23.1	23.1	22.9 p	23.2
Eating & drinking places (\$ bil.)	8.7	9.6	10.3	10.2	10.5	10.6	10.5	10.6	10.7 p	10.5
Apparel & accessory stores (\$ bil.)	4.6	5.0	5.6	5.5	5.7	5.8	5.5	5.8	5.9 p	5.9

1/ Department of Commerce. 2/ Board of Governors of the Federal Reserve System. 3/ Composite index of 12 leading indicators. 4/ Department of Labor, Bureau of Labor Statistics. 5/ Not seasonally adjusted. 6/ December of the year listed. 7/ Moody's Investors Service. 8/ Federal Home Loan Bank Board. 9/ Book value, end of period. 10/ Adjusted for seasonal variations, holidays, and trading day differences. p = preliminary. r = revised

## U.S. Agricultural Trade

### Prices of principal U.S. agricultural trade products

	Annual			1984			1985			
	1982	1983	1984	Apr	Nov	Dec	Jan	Feb	Mar	Apr
<b>Export commodities</b>										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.38	4.30	4.17	4.30	4.16	4.08	4.06	4.03	3.97	3.97
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.80	3.49	3.50	3.81	3.04	2.98	3.08	3.06	3.10	3.10
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.81	3.34	3.00	3.00	2.69	2.76	2.93	2.88	2.99	3.04
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.36	7.31	7.38	8.25	6.49	6.25	6.30	6.20	6.28	6.29
Soybean oil, Decatur (cts./lb.)	18.33	23.51	30.75	32.06	31.92	28.55	27.58	29.42	31.35	34.07
Soybean meal, Decatur (\$/ton)	179.70	200.91	166.80	188.41	136.27	136.18	136.13	126.45	125.76	117.86
Cotton, 10 market avg. spot (cts./lb.)	60.10	68.68	68.37	75.64	60.43	60.45	59.96	58.65	60.18	61.67
Tobacco, avg. price of auction (cts./lb.)	172.20	173.96	173.99	166.06	188.03	185.04	181.01	177.10	178.14	177.56
Rice, f.o.b. mill, Houston (\$/cwt.)	18.89	19.39	19.47	20.10	18.75	18.75	18.75	18.75	18.75	18.75
Inedible tallow, Chicago (cts./lb.)	12.85	13.41	17.47	17.00	19.00	17.50	17.50	17.50	17.50	17.70
<b>Import commodities</b>										
Coffee, N.Y. spot (\$/lb.)	1.41	1.33	1.46	1.48	1.38	1.38	1.40	1.45	1.41	1.38
Sugar, N.Y. spot (cts./lb.)	19.86	22.04	21.74	22.03	21.39	21.10	20.72	20.38	20.90	20.97
Rubber, N.Y. spot (cts./lb.)	45.48	56.19	49.70	56.44	42.67	42.24	42.04	42.11	41.45	42.13
Cocoa beans, N.Y. (\$/lb.)	.75	.92	1.06	1.13	1.01	.96	.98	1.00	.99	1.02
Bananas, (\$/40lb. box)	6.80	7.93	6.70	7.52	4.88	5.43	6.83	8.03	8.23	8.79

p. preliminary.

# U.S. agricultural exports

October-April

April

	1983/84	1984/85	1983/84	1984/85	1984	1985	1984	1985
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	432	645	133,636	157,117	78	93	9,821	14,199
Meats & preps., excl. poultry (mt)	254	244	559,033	530,514	33	33	76,917	75,107
Dairy products (mt)	226	224	215,886	224,241	31	41	26,965	48,343
Poultry meats (mt)	126	136	162,507	154,979	16	18	19,836	19,633
Fats, oils, & greases (mt)	850	698	402,747	367,499	94	95	50,274	48,320
Hides & skins incl. furskins	—	—	785,083	829,836	—	—	123,362	116,645
Cattle hides, whole (no.)	14,098	14,849	566,036	602,767	2,098	2,092	89,620	80,205
Mink pelts (no.)	1,840	1,595	50,010	45,837	306	361	8,459	9,845
Grains & feeds (mt)	64,190	64,285	10,350,701	9,121,741	8,587	7,745	1,397,095	1,111,694
Wheat (mt)	21,550	18,620	3,447,599	2,839,998	2,644	1,846	405,278	283,509
Wheat flour (mt)	642	477	129,908	105,878	145	131	32,538	28,833
Rice (mt)	1,248	1,097	512,464	380,979	207	155	86,364	50,547
Feed grains, excl. products (mt)	35,919	39,549	5,301,032	4,955,385	4,919	4,882	742,813	613,680
Feeds & fodders (mt)	4,350	3,940	766,345	617,615	612	607	104,413	93,887
Other grain products (mt)	481	602	193,353	221,886	60	124	25,689	41,238
Fruits & preps., excl. juices (mt)	962	859	589,721	575,247	138	118	82,445	79,465
Fruit juices (hl)	3,213	2,612	124,791	112,301	438	413	16,822	17,790
Nuts & preps. (mt)	227	308	334,775	432,810	21	32	33,609	47,832
Vegetables & preps. (mt)	933	887	622,982	586,859	133	113	87,941	79,020
Tobacco, unmanufactured (mt)	166	196	1,054,011	1,214,153	15	25	98,007	164,064
Cotton, excl. linters (mt)	994	949	1,575,584	1,471,362	166	126	267,319	182,629
Seeds (mt)	171	198	227,121	250,875	41	23	28,245	24,528
Sugar, cane or beet (mt)	189	191	49,819	39,159	30	30	7,847	5,308
Oilseeds & products (mt)	19,695	18,532	6,163,214	4,825,224	2,415	2,254	763,559	568,189
Oilseeds (mt)	14,947	14,709	4,545,100	3,583,153	1,965	1,815	594,774	437,905
Soybeans (mt)	14,165	13,832	4,211,903	3,275,463	1,902	1,781	569,629	421,228
Protein meal (mt)	3,834	2,923	941,176	562,693	344	358	80,189	65,404
Vegetable oils (mt)	914	900	676,938	679,378	117	81	88,597	64,880
Essential oils (mt)	6	8	61,623	63,816	1	1	7,793	11,030
Other	—	—	669,270	632,002	—	—	84,656	89,005
Total	—	—	24,082,504	21,589,735	—	—	3,182,513	2,702,801

## Indexes of nominal and real trade-weighted dollar exchange rates

	1984							1985				
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
	April 1971=100											
Total agriculture												
Nominal 1/	661.8	710.1	770.3	823.2	899.3	938.9	1,067.0	1,152.2	1,281.5	1,404.0	1,525.5	1,706.5
Real 2/	97.8	98.0	100.2	100.6	102.9	103.5	102.5*	104.2*	106.1*	108.8*	108.8*	105.3*
Soybeans												
Nominal	162.1	162.4	166.8	168.0	172.6	175.6	175.2	180.6	185.1	191.9	194.5	187.8
Real	93.2	93.4	96.5	97.4	100.7	101.6	99.6*	102.1*	103.8*	107.3*	107.1*	101.8*
Wheat												
Nominal	3,017.9	3,304.7	3,645.3	3,957.5	4,394.5	4,612.4	5,378.4	5,864.8	6,598.2	7,285.2	7,988.1	9,092.9
Real	103.5	104.1	104.4	104.5	105.5	105.2	106.4*	106.9*	108.9*	110.5*	110.5*	110.6*
Corn												
Nominal	640.6	684.1	740.4	789.2	860.0	897.8	1,013.2	1,092.5	1,211.9	1,326.1	1,437.7	1,598.6
Real	96.5	96.5	99.4	100.3	103.2	104.1	102.5*	104.7*	106.1*	109.2*	109.1*	104.3*
Cotton												
Nominal	185.8	187.2	190.3	191.1	195.5	197.0	197.6	207.0	209.3	211.5	212.9	211.3
Real	93.3	94.2	95.6	96.1	97.0	97.8	98.0*	99.1*	100.0*	101.6*	102.3*	101.3*

1/ Nominal values are percentage changes in currency units per dollar, weighted by proportion of agricultural exports from the United States. An increase indicates that the dollar has appreciated. 2/ Real values are computed in the same way as the nominal series, adjusted for CPI changes in the countries involved.

\*Preliminary; assumes the same rate of CPI increase/decrease as the previous six months.



# U.S. agricultural exports by regions

Region & country	October-April		April		Change from year earlier	
	1983/84	1984/85	1984	1985	October-April	April
	\$ Mil.				Percent	
<b>Western Europe</b>	6,763	5,230	700	630	-23	-10
European Community	4,826	3,894	530	502	-19	-5
Belgium-Luxembourg	587	322	40	16	-45	-60
France	363	290	36	27	-20	-25
Germany, Fed. Rep.	1,016	675	92	78	-34	-15
Italy	545	526	74	72	-3	-3
Netherlands	1,629	1,416	224	223	-13	0
United Kingdom	509	430	50	54	-16	8
Other Western Europe	1,937	1,336	169	128	-31	-24
Portugal	505	361	46	42	-29	-9
Spain, incl. Canary Is.	968	611	80	49	-37	-39
Switzerland	245	184	22	21	-25	-5
<b>Eastern Europe</b>	438	395	43	28	-10	-35
German Dem. Rep.	91	77	0	5	-15	100
Poland	127	86	14	6	-32	-57
<b>USSR</b>	1,617	2,189	327	276	35	-16
<b>Asia</b>	9,399	7,822	1,288	933	-17	-28
West Asia (Mideast)	1,057	975	141	100	-8	-29
Turkey	105	115	20	5	10	-75
Iraq	195	257	40	20	32	-50
Israel	230	200	31	31	-13	0
Saudi Arabia	292	239	32	34	-18	6
South Asia	591	402	62	27	-32	-56
India	324	89	10	10	-73	0
Pakistan	138	106	21	15	-23	-29
East & Southeast Asia	7,752	6,445	1,085	806	-17	-26
China	406	169	34	6	-58	-82
Taiwan	898	920	120	103	2	-14
Japan	4,345	3,766	612	458	-13	-25
Korea, Rep.	1,139	838	173	128	-26	-26
Hong Kong	243	233	29	29	-4	0
Indonesia	256	129	42	18	-50	-57
Philippines	130	147	28	27	13	-4
<b>Africa</b>	1,565	1,600	253	228	2	-10
North Africa	771	849	120	118	10	-2
Morocco	154	103	29	13	-33	-55
Algeria	94	150	0	20	60	100
Egypt	469	546	91	85	16	-7
Sub-Saharan	794	751	132	110	-5	-17
Nigeria	211	248	22	29	18	32
Rep. S. Africa	363	152	68	3	-58	-96
<b>Latin America &amp; Caribbean</b>	3,088	3,181	385	442	3	15
Brazil	259	436	15	35	68	133
Caribbean Islands	472	456	60	75	-3	25
Colombia	138	143	20	19	4	-5
Mexico	1,194	1,328	178	196	11	10
Peru	135	75	10	5	-44	-50
Venezuela	456	413	48	61	-9	27
<b>Canada</b>	1,078	1,026	170	150	-5	-12
<b>Oceania</b>	134	146	14	15	9	7
<b>Total 1/</b>	<b>24,083</b>	<b>21,590</b>	<b>3,183</b>	<b>2,703</b>	<b>-10</b>	<b>-15</b>

1/ Totals may not add due to rounding.

## U.S. agricultural imports

	October-April				April			
	1983/84	1984/85	1983/84	1984/85	1984	1985	1984	1985
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live (no.)	1,103	1,414	376,605	382,291	179	158	45,453	41,782
Meats & preps., excl. poultry (mt)	504	613	1,085,330	1,246,914	90	97	189,632	193,642
Beef & veal (mt)	319	352	679,473	698,968	53	58	113,188	116,666
Pork (mt)	169	242	368,052	505,360	33	34	70,136	68,797
Dairy products (mt)	203	265	444,026	456,797	31	23	62,580	48,335
Poultry products	—	—	74,250	54,178	—	—	11,136	8,322
Fats, oils, & greases (mt)	10	12	6,887	10,671	—	2	1,946	2,117
Hides & skins, incl. furskins	—	—	135,194	167,485	—	—	20,277	27,525
Wool, unmanufactured (mt)	36	26	120,400	89,354	4	3	16,463	10,047
Grains & feeds (mt)	990	1,220	310,094	351,867	144	181	42,723	49,214
Fruits, nuts, & preps.	—	—	1,264,998	1,707,224	—	—	253,325	309,871
Bananas & plantains (mt)	1,682	1,718	410,101	426,593	294	263	69,384	66,072
Vegetables & preps. (mt)	1,501	1,479	870,076	902,994	258	262	146,683	155,871
Tobacco, unmanufactured (mt)	113	107	335,750	314,917	13	15	39,896	44,272
Cotton, unmanufactured (mt)	18	20	8,353	11,392	2	2	730	1,995
Seeds (mt)	65	67	65,374	56,723	14	16	9,920	9,402
Nursery stock & cut flowers	—	—	171,516	191,237	—	—	31,517	28,956
Sugar, cane or beet (mt)	1,916	1,474	767,279	591,542	271	140	110,182	51,906
Oilseeds & products (mt)	756	705	474,986	470,867	74	91	54,568	53,739
Oilseeds (mt)	156	150	64,176	61,169	20	22	8,415	7,967
Protein meal (mt)	79	93	14,564	10,196	9	11	1,600	1,143
Vegetable oils (mt)	521	462	396,246	399,501	45	58	44,553	44,629
Beverages excl. fruit juices (hl)	7,565	8,261	858,351	876,355	1,176	1,267	129,517	122,666
Coffee, tea, cocoa, spices (mt)	1,027	1,113	2,684,120	2,963,195	174	136	477,201	369,080
Coffee, incl. products (mt)	658	645	1,891,975	1,879,045	118	88	348,245	259,142
Cocoa beans & products (mt)	250	344	551,762	805,300	39	31	91,836	76,415
Rubber & allied gums (mt)	493	492	520,044	435,336	70	65	73,314	54,258
Other	—	—	479,140	505,422	—	—	75,133	77,049
Total	—	—	11,052,773	11,786,761	—	—	1,792,196	1,660,049

## Trade balance

	October-April		April	
	1983/84	1984/85	1984	1985
	\$ Mil.			
Exports				
Agricultural	24,083	21,590	3,183	2,703
Nonagricultural	95,942	104,777	14,150	14,789
Total 1/	120,025	126,367	17,333	17,492
Imports				
Agricultural	11,053	11,787	1,792	1,660
Nonagricultural	165,036	178,099	25,991	26,845
Total 2/	176,089	189,886	27,783	28,505
Trade balance				
Agricultural	13,030	9,803	1,391	1,043
Nonagricultural	-69,094	-73,322	-11,841	-12,056
Total	-56,064	-63,519	-10,450	-11,013

1/ Domestic exports including Department of Defense shipments (F.A.S. value). 2/ Imports for consumption (customs value).



# World Agricultural Production

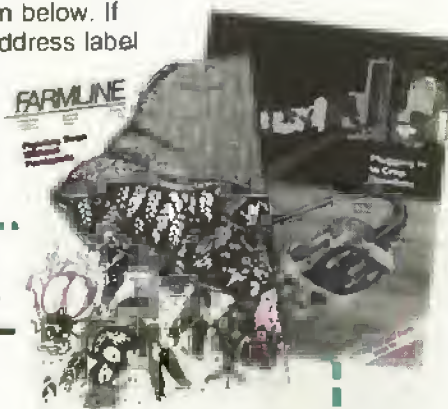
## World supply and utilization of major crops

	1978/79	1979/80	1980/81	1981/82	1982/83	1983/84	1984/85 <sup>F</sup>
	Mil. units						
<b>Wheat</b>							
Area (hectare)	228.9	227.6	236.5	239.3	238.5	230.1	231.5
Production (metric ton)	446.8	422.8	442.7	448.4	479.1	490.4	514.4
Exports (metric ton) 1/	72.0	86.0	94.1	101.3	98.6	102.9	105.6
Consumption (metric ton) 2/	430.2	443.5	445.6	441.5	467.8	488.4	502.5
Ending stocks (metric ton) 3/	100.9	80.4	78.2	85.1	96.4	98.5	110.4
<b>Coarse grains</b>							
Area (hectare)	342.8	341.1	336.6	343.9	332.4	329.5	335.3
Production (metric ton)	753.6	741.5	732.0	769.0	779.2	685.2	803.4
Exports (metric ton) 1/	90.2	98.8	108.0	96.5	90.2	91.5	103.2
Consumption (metric ton) 2/	748.1	740.3	742.1	738.8	753.4	758.9	781.6
Ending stocks (metric ton) 3/	91.2	91.6	82.8	113.0	138.7	65.0	86.9
<b>Rice, milled</b>							
Area (hectare)	144.1	143.1	144.3	145.1	141.1	144.8	144.3
Production (metric ton)	260.7	253.9	271.0	280.6	285.5	307.3	318.0
Exports (metric ton) 4/	11.6	12.7	13.1	11.6	11.9	12.5	11.6
Consumption (metric ton) 2/	255.8	257.8	272.3	281.4	289.6	307.5	314.7
Ending stocks (metric ton) 3/	27.7	23.4	22.1	21.3	17.3	17.2	20.4
<b>Total grains</b>							
Area (hectare)	715.8	711.8	717.4	728.3	712.0	704.4	711.1
Production (metric ton)	1,461.1	1,418.2	1,445.7	1,498.0	1,543.8	1,482.9	1,635.8
Exports (metric ton) 1/	173.8	197.5	215.2	209.4	200.7	206.9	220.4
Consumption (metric ton) 2/	1,434.1	1,441.9	1,460.0	1,461.7	1,510.8	1,554.8	1,598.9
Ending stocks (metric ton) 3/	219.8	195.4	183.1	219.4	252.4	180.7	217.7
<b>Oilseeds</b>							
Production (metric ton)	150.5	170.1	155.8	170.1	178.6	166.3	187.7
Trade (metric ton)	30.7	35.9	32.1	35.8	34.9	32.8	33.1
<b>Meals</b>							
Production (metric ton)	84.5	92.9	90.8	96.4	99.9	95.0	101.8
Trade (metric ton)	22.8	26.5	25.9	28.8	31.3	29.2	30.8
<b>Oils</b>							
Production (metric ton)	36.9	39.7	40.0	42.6	44.4	43.4	46.9
Trade (metric ton)	10.9	12.8	12.5	13.2	14.2	14.1	15.0
<b>Cotton</b>							
Area (hectare)	32.4	32.2	32.4	33.2	31.9	31.4	34.5
Production (bale)	59.6	65.2	64.8	70.8	67.5	67.8	84.9
Exports (bale)	19.7	23.1	19.7	20.2	19.4	19.5	20.8
Consumption (bale)	62.0	65.3	65.9	65.5	68.0	68.6	69.8
Ending stocks (bale)	24.1	24.0	24.1	25.4	24.9	24.5	39.1

F = Forecast. 1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1979 data correspond with 1978/79, etc.

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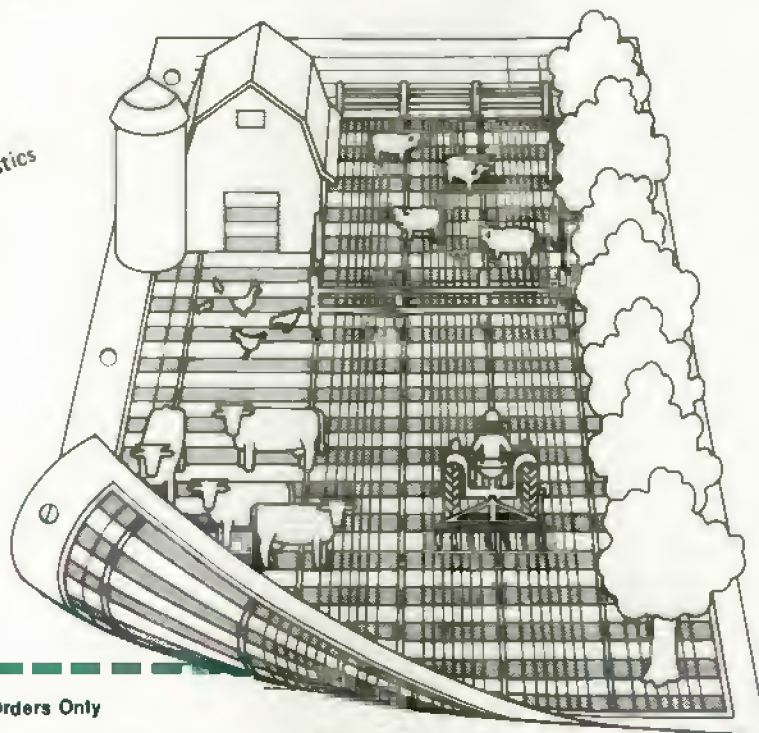
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